



Parents and the High Cost of Child Care



2014 REPORT

ChildCare
Aware
OF AMERICA

Acknowledgements

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This report was completed by staff at Child Care Aware® of America, Hanover Research, Stephen Wood who compiled the data, and Lynette Fraga and Michelle McCready who wrote the report. Abby Thorman and Ann McCully edited the document and Rachel Schumacher contributed a new section on solutions.

About Child Care Aware® of America

Child Care Aware® of America is our nation's leading voice for child care. We work with state and local Child Care Resource and Referral agencies and other community partners to help ensure that all families have access to quality, affordable child care. To achieve our mission, we lead projects that increase the quality and availability of child care, offer comprehensive training to child care professionals, undertake groundbreaking research and advocate child care policies that improve the lives of children and families. To learn more, visit www.usa.childcareaware.org.

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FROM THE EXECUTIVE DIRECTOR

Eleven million children younger than age five are in some form of child care in the United States. The *Parents and the High Cost of Child Care: 2014* report



summarizes the cost of child care across the country and represents the eighth year that Child Care Aware® has published this data. Unfortunately, the picture for families has not improved in this time and child care remains one of

the most significant expanses in a family budget. Child care often exceeds the cost of housing, college tuition, transportation or food. Unlike all other areas of education, including colleges and universities, families pay the majority of costs for early education for young children. Because these costs come when parents are at the beginning of their careers, these significant expenses come at a time when families can least afford them.

Child care impacts more than individual families. While access to high quality child care increases morale and employer loyalty, child care problems cost businesses over \$3 billion annually. Beyond the immediate workforce impacts, child care has long term effects. Scientific breakthroughs in understanding brain development make it clear that the early years are a unique period of development and early experiences form the foundation for future success. Ensuring child care is high-quality, affordable and available for families is crucial to our nation's ability to produce and sustain an economically viable, competitively positioned workforce in the future.

While the consequences of the lack of affordable, quality child care are often overlooked, the problems produced are real and severe. Children who start kindergarten behind too often stay behind. Among children who arrive at school without the skills needed for success, over 85 percent are still behind in 4th grade.

Fully 75 percent of 18-year-olds are not qualified to serve their country in the military. Military leaders have identified the need for quality early care and

education for all children as a top priority to ensure national security.

Dr. James J. Heckman, Nobel Laureate in Economics and professor of economics at the University of Chicago concluded after decades of research on labor economics: "The real question is how to use available funds wisely. The best evidence supports the policy prescription: Invest in the very young."

The *Parents and the High Cost of Child Care: 2014* report updates the 2013 report and:

- Examines the dual importance of child care as a workforce support *and* as early learning programs.
- Describes the costs of running a child care center or family child care home.
- Ranks states according to their affordability for infants and toddlers, four-year-olds and school-age children.
- Compares the cost of child care to other family expenses.
- Explores the effect of the high cost of care on parents' child care options.

Child Care Aware® of America's vision is of a nation that supports the development and learning of all children. This is the eighth year that we have looked at the cost of child care in centers and family child care homes and the story has not changed. So we ask the difficult question: How can quality child care be made affordable for all families? What can we do as a national community to invest in the 11 million children in child care programs?

Thanks to several federal policy proposals before Congress and other federal agencies, we are on the cusp of great leaps toward improving child care in this country. This report will help inform the important conversations ahead.

My best,

A handwritten signature in black ink that reads "Lynette".

Lynette M. Fraga, Ph.D., Executive Director,
Child Care Aware® of America



“Early investments benefit all of society, not only participating children and families. While the price tag for high-quality child care is not small, it is much smaller than waiting years later to pay for expensive remedial education and social programs.”

- Rob Grunwald, Economist
Federal Reserve Bank of Minneapolis

EXECUTIVE SUMMARY

The high cost of child care can be a crippling burden for families with young children. The *Parents and the High Cost of Child Care: 2014* report not only examines the high cost of care, but investigates potential solutions for providing high-quality child care to families who need it at a cost that they can afford.

Child Care in America

Nearly 11 million children under the age of five across the nation require child care services each week. High-quality child care not only helps parents to be more productive at work, but also provides benefits to young children, including improving school readiness.

This section details common child care settings, the economic benefits of high-quality child care for parents and their employers, and the developmental and educational benefits of high-quality child care for young children.

Why Child Care Costs Are High

Child care and early education is a labor-intensive industry which leads to high costs for families, despite the fact that child care workers are among the lowest paid professionals nationwide.

This section explores the costs that child care providers bear, including the inputs needed to provide high-quality child care and the necessary state regulations that providers must meet.

Average Cost in the States

The cost of child care varies widely across states, and the cost of living in each state also affects the affordability of child care for families. In order to compare the cost of child care across states, we examine the average cost of care in each state in relation to the state median income for married couples with children and the state median income for single mothers.

Using this method, this section ranks the top ten least affordable states for center-based child care at each age level, including infant care, four-year-old child care, and before and after school care for a school-age child.

Child Care and the Family Budget

Child care costs consume a major portion of family expenses. Average expenses for child care can rival expenses for housing, transportation, and even tuition and fees for public colleges. The high cost of child care can be particularly difficult for low-income families and single parents. Across all 50 states, the cost of center-based infant care averaged over 40 percent of the state median income for single mothers.

In this section, we examine how the cost of child care compares to other family expenses, including housing, transportation, food, and college tuition. Additionally, we examine the high relative cost of child care for families at the poverty level.

Paying for Child Care

Families bear the majority of the burden for child care costs. While some public funding is available for child care, the incomplete patchwork of support often does not provide enough assistance for families, who may opt to place their child in an informal or unlicensed child care setting due to the high cost of high-quality care.

This section details the various sources of child care funding, including families, federal funding, income tax credits, and other sources.

Expanding Access to Quality Affordable Child Care

Funding high-quality child care services is a national concern for government, business leaders, and families alike.

In this section, we explore creative solutions to the high cost of child care, including building an environment for child care providers that encourages and supports high-quality practices and involving businesses in the creation of child care solutions for their employees and communities. The section also details strategies to support individual families in accessing high-quality child care.

Conclusions and Recommendations

Considering the findings of this report, Child Care Aware recommends:

- **The commencement of a national discussion about the impact of the high cost of child care and the cost of quality in child care.** This conversation should

explore federal and state options; innovative, low-cost solutions that have shown success; what has worked in other industries; and what models currently exist within communities that have seen success.

- **Congress require the National Academy of Sciences to produce a study on the true cost of quality child care** and to offer recommendations to Congress for financing that supports families in accessing affordable, quality child care.
- **Congress review and consider what policy options are available to help families offset the rising cost of child care,** including, but not limited to raising dependent care limits for deductions or providing additional tax credits for families and providers, creating public-private partnerships, and looking to existing states with successful financing models.
- **Federal and state governments commit to investing in early care and education programs,** especially considering the recent historical progress at the federal level towards ensuring all children in low-income, working families have access to affordable, quality child care.

Our full recommendations are detailed further in the concluding section of this report.

CHILD CARE IN AMERICA

For many parents, the high cost of child care is one of the initial shocks in becoming a parent. *Parents and the High Cost of Child Care: 2014 Report* updates the previous report and uses 2013 data to report on the average fees families are charged for legally operating child care centers and family child care homes in each state and the *District of Columbia*. The report examines why child care is so expensive and families' options for paying for child care.

Child Care Settings

Every week in the United States, nearly 11 million children younger than age five are in some type of child care arrangement. On average, these children spend 36 hours a week in child care.¹ While parents are children's first and most important teachers, child care programs provide early learning opportunities for millions of young children daily, having a profound impact on their development and readiness for school.

Table 1: Child Care Arrangements

Child Care Arrangements for Children Under Five²	
Center-based care (child care center, preschool, Head Start)	35%
Grandparent	32%
Other relative (not including fathers)	10%
Family child care homes	8%
Care in the child's home	5%
Care in friend or neighbor's home	5%

Care by one parent while the other parent is working is not included in this table, so the percentages do not total 100 percent.

The majority of children attend child care centers, followed by care from family members, family child care homes, and family, friends and neighbors. Twenty-six percent of children are in more than one child care arrangement during the week.

As outlined in this report, the cost of child care is extremely high and comprises a significant portion of family income.

Even with the high cost of care, most child care settings do not rank highly on quality indicators. Nationally, it is estimated that less than 10 percent of child care is of sufficient quality to positively impact children's outcomes. Over 80 percent of child care centers are merely of "fair" quality.³ Higher quality care can drive costs up because the cost of better educated teachers, smaller group sizes, and nicer facilities costs more. The high cost of child care can affect families' ability to choose the child care arrangement they want for their children.

While families access many types of child care, this report analyzes the cost of care in legally operating child care centers and family child care homes. Legally operating programs include licensed programs and child care programs that are legally exempt from licensing. For example, in some states centers operated by religious organizations or family child care homes that care for five or fewer children are license-exempt. This report does not include information about child care provided by a relative or a nanny or informal child care provided by a neighbor or friend.

Child Care Helps Parents Work

Employers consistently report that the availability of quality child care improves productivity and reduces absenteeism and turnover.⁴

- U.S. businesses lose \$3 billion annually due to employee absenteeism as the result of child care breakdowns.⁵
- During a three-month period, 29 percent of employed parents experienced some kind of child care breakdown, resulting in absenteeism, tardiness and reduced concentration at work.⁶
- Child care affects businesses' bottom line. A 2009 study showed that employees leaving their jobs for child care related reasons represented a potential \$6 million loss to employers in downtown Santa Barbara, a community of less than 91,000 residents. Parents in this study ranked cost as their top child care challenge.⁷

Economists have estimated the rate of return for high-quality early intervention to be in the range of 6-10 percent per annum for children in disadvantaged families.

There are examples of recognition of the impact child care has on the bottom line and innovative strategies to address this challenge. Since the late 1980s the U.S. Department of Defense has developed a comprehensive child care system⁸ as a core strategy to increase military readiness, improve job satisfaction, and increase rates of re-enlistment, saving the military significant amounts of money annually. In 2010, the

armed forces' child care system served nearly 200,000 children from birth to age 12.⁹ The armed forces' child care system is a model for the nation with high standards, strong accountability, and positive outcomes for children and families.¹⁰

Child Care is a Sound Investment

Governors and legislators,¹¹ law enforcement officials,¹² and business leaders¹³ see quality child care as vital to the nation's economy and security. Economists have estimated the rate of return for high-quality early intervention to be in the range of 6-10 percent per annum for children in disadvantaged families.¹⁴

Military leaders found that 75 percent of young adults are not qualified to join the military due to failure to graduate high school; a criminal record; or physical fitness issues, including obesity. Significant numbers of retired generals, admirals, and other military leaders have concluded that America needs early care and education to ensure national security because quality early learning programs are a proven strategy that addresses each of the issues that are decreasing readiness.¹⁵

Child Care is Early Education

The call for quality child care programs comes from a growing understanding of the long-term impact of this early investment. Longitudinal studies show that children in higher quality programs:

- Do better in school.
- Are less likely to require special education services.
- Are more likely to attend college.

- Are more likely to earn higher wages and pay more in taxes.
- Are less likely to be involved in the criminal justice system¹⁶.

While quality child care has a positive benefit on all children, the impact is particularly strong for children in low-income families.¹⁷ Among vulnerable children, high-quality programs provide more benefits and low-quality programs have a greater negative impact.¹⁸

Children in higher quality early learning programs have better cognitive outcomes, including measurably better reading, math skills, language/vocabulary, and applied problem solving.¹⁹ These cognitive outcomes are particularly strong for low-income children.²⁰

Children in higher quality early learning programs also have measurably better noncognitive outcomes, to include better executive function (ability to organize information, pay attention, remember details and make plans) and better skills participating in a group (ability to take turns, wait before speaking, work well with others and cooperate with peers). These noncognitive skills are particularly critical for school success.²¹

An extensive analysis of the relationship between program quality and child outcomes concluded: “for those who are from low-income families, children benefit from higher quality care overall in both their language and social skills, but **larger benefits tend to accrue when quality is in the good to high range.**”²²



WHY CHILD CARE COSTS ARE HIGH

The *Parents and the High Cost of Child Care: 2014* provides extensive detail on the cost of child care by state, in different settings, and for different age groups. To put these details in context, it is helpful to first understand why child care costs are so high.

Child Care Staff

Young children require individualized attention and thrive best in small groups with consistent caregivers and low adult to child ratios. Early learning programs, therefore, need significantly more staff than other settings for children, such as K-12 classrooms. As a result, early care and education is a very labor intensive industry. Up to 80 percent of child care business expenses are for payroll and payroll-related expenditures.²³

However, child care is one of the lowest paying professions nationally. The average income for a full-time child care professional in 2013 was \$21,490, a decrease of \$131 from 2012 when adjusted for inflation.

The average wage for full-time child care workers was \$10.33 per hour in 2013 – below the federal poverty guidelines for a family of four and barely above the poverty guidelines for a family of three. Family child care home providers earn even less. Studies show most work long hours, have no benefits such as health care and retirement plans, and earn \$15,000 to \$25,000 per year.²⁴ Since most funding for child care comes from family fees, and young parents are severely restricted by their incomes since they are early in their careers, programs have limited revenue to

cover program costs. Staff wages are low overall as a result.

Because staff wages are already so low and the cost of the other elements of running a child care business are a relatively small part of program budgets, child care businesses have limited ability to create efficiencies or reduce costs in other meaningful ways.

"Research is clear that it is quality early education that promotes long-term benefits. Efforts to provide higher reimbursement rates that cover the full cost of high quality care are critical to ensuring that all children are served in safe, secure, and enriched learning environments. Continuous program improvement should be incentivized through state QRIS and national accreditation."

- Dr. Elanna Yalow, CEO
Knowledge Universe Early Learning Programs

Other Expenses

Other large expenses for child care centers and family child care providers include:

- Rent/mortgage
- Food
- Insurance (business, liability, real estate, worker's compensation)

Other necessary costs include:

- Facilities maintenance

- Fire alarms/security
- Marketing
- Professional services (lawyers, accountants, health consultants)
- Staff training/professional development
- Supplies
- Taxes
- Toys and equipment
- Transportation
- Utilities

"The cost of child care is a deep concern for most families with young children in New York State. It is often the deciding factor in choosing a provider. Although I have no doubt all parents want the best care possible for their child – care that does not simply keep them safe but promotes all aspects of their physical, mental, and social being – the fact is most parents can't afford the quality care that every child deserves. As a nation, we can and must do better than simply safeguard our children. They need opportunities to thrive."

- David Voegele, Executive Director
Early Care Learning Council

State Regulations

State licensing regulations govern issues related to children's health and safety while they are in out-of-home care and are crucial to maintaining basic standards for children's health and well-being.

Given the very real financial challenges of running child care businesses, states must

make difficult decisions about the amount and types of regulations to require as they balance the needs of children and the needs of business owners. Some regulatory requirements can affect how much it costs to run a child care center or family child care home; beyond these basic regulations, programs may also make compromises to balance decisions about quality against what parents can afford. Decisions that can impact the cost of care include:

- **Ratios** – the number of children cared for and educated by one adult. Having one adult responsible for a smaller number of children allows children to get more individualized attention, but low staff to child ratios means hiring more staff.
- **Group size** – the number of children that can be in one group. A smaller group size is better for children's development, particularly for very young children where recommended group sizes are six babies with two adults, but more children in a group means a higher income for the program.
- **Staff compensation and benefits** - With limited funds, child care programs are forced to pay low staff wages and provide only limited benefits, making it difficult to recruit and retain qualified staff. The staff turnover rate in child care in 2010 was reported to be around 25 percent.²⁵ That means that a quarter of the child care providers parents see at the beginning of the year will not be there at the end of the year. Few industries have turnover this high and the costs of retraining, not to mention the emotional costs to children who develop bonds with teachers who then leave, are significant.



- **Staff education and training** - Teachers with strong professional preparation are essential to providing a high quality early learning program. The quality of adult-child interactions is one of the most powerful predictors of children's development and learning.²⁶ However, with high turnover, the cost of training new staff is high and training and education opportunities are limited in many areas.
- **Square footage** – the number of square feet required in the building and on the playground for each child.
- **Facilities** – creating warm, welcoming learning environments and engaging outdoor play spaces with adequate square footage is essential for children's learning, but larger spaces and better equipped spaces can drive costs up.
- **Activities and materials** – the types of activities and material that support children's academic, physical, social and emotional growth and school readiness.

Providing a curriculum and diverse materials and learning activities help promote children's learning and readiness for school, but they require provider training and additional expenses.

- **Health, safety and nutrition** – the practices that keep children healthy, safe and well-fed. For example, regulations can require resilient playground surfaces under outdoor equipment, specific types of cribs and toys, and safe storage of hazardous materials. Health and safety practices are essential to protecting children and require provider training and additional investments.

Some child care programs are able to reduce costs to parents because they receive support for rent or maintenance from churches or other organizations. Other programs share services such as administration, marketing, training or purchasing bulk supplies, which can also reduce the final cost to parents.

AVERAGE COST IN THE STATES

Why Is Child Care More Expensive in Some States?

Child care costs vary by state for a variety of reasons, including labor costs and the cost of living expenses such as housing, food, transportation, utilities, and health care. The child care center costs in Tables 2, 3, and 4 reflect an average across the state. In some states, rural care is primarily family child care, so the average cost may represent the cost of care primarily in urban areas.

Affordability: Child Care Costs and Family Income

To better understand the impact of child care fees on a family's budget, Child Care Aware® of America compared the average cost of center-based child care to family income by state. Affordability was calculated by dividing the average cost of care by the state median income.²⁷

The least-affordable state had the highest child care cost compared to family income. **This does not mean that the least-affordable state had the most expensive child care**, only that the cost of care as a percentage of income was highest when compared to all states.

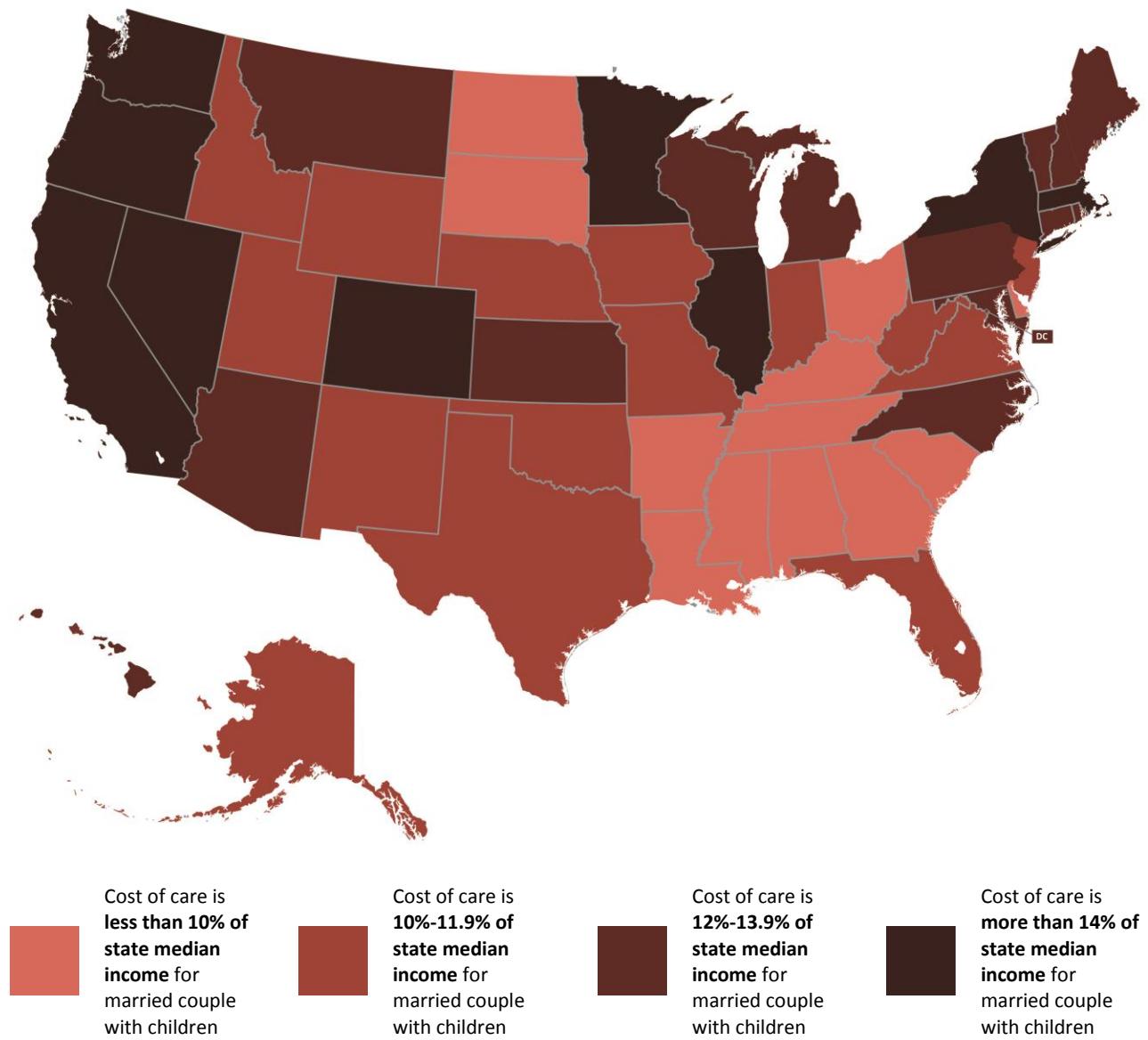
For example, the dollar cost of center-based care for infants was actually highest in *Massachusetts*, over \$16,500 per year, compared to just over \$14,500 per year in *New York*; however, as a percentage of median income for married couples with

children, child care was least affordable in *New York*.

States were ranked from least affordable to most affordable for full time care for infants, four-year-olds and school-age children in a child care center. In 2013, *New York* was the least-affordable state for all three types of child care. For center-based infant care, the average cost in the state was nearly 16 percent of state median income for married couples with children.

The average cost of care is particularly unaffordable for single parents. Across all states, the average cost of cost of center-based infant care exceeds 23 percent of the median income for single parents.

The following map shows the most- and least-expensive states for center-based infant care in 2013 as a percentage of state median income for a married couple with one child in child care. States are separated into four categories. States where the average child care cost for an infant in a center is **less than 10 percent** of the state median income for a married couple with children are shown in the lightest color, while states where the average child care cost for an infant in a center is **more than 14 percent** of the state median income for a married couple are shown in the darkest color.

Figure 1: Average Cost for Center-Based Infant Care as a Percent of Married Couple's Median Income

Least-Affordable States

In the tables on the following pages, the average cost of care is compared to state median income for single mothers and for married couples with children. The ranking of affordability is based on the average cost of full time care in a child care center compared to state median income for married couples

with children. As the data shows, the average cost of care is particularly unaffordable for single parents. Across all states, the average cost of center-based infant care exceeds 23 percent of the median income for single parents.

Center-Based Infant Care by State

See Appendix II for a complete listing of 2013 rankings of affordability for child care for an infant in a center.

Table 2: Top 10 Least Affordable States for Center-Based Infant Care in 2013

Rank	State	Average Annual Cost of Infant Care in a Center ⁺	State Median Income for Single Mother Family ⁺⁺	Cost of Care as a Percentage of Median Income for a Single Mother	State Median Income for a Married Couple ⁺⁺	Cost of Care as a Percentage of State Median Income for a Married Couple
1	New York ^{^^}	\$14,508.00	\$25,887.00	56.0%	\$91,525.00	15.9%
2	Colorado	\$13,143.00	\$27,491.00	47.8%	\$85,961.00	15.3%
2	Oregon	\$11,078.00	\$21,472.00	51.6%	\$72,631.00	15.3%
4	Minnesota	\$13,993.00	\$26,060.00	53.7%	\$92,299.00	15.2%
5	Massachusetts	\$16,549.00	\$27,323.00	60.6%	\$111,368.00	14.9%
6	Washington	\$12,332.00	\$25,873.00	47.7%	\$85,038.00	14.5%
7	Illinois	\$12,568.00	\$24,109.00	52.1%	\$87,379.00	14.4%
8	Nevada ^{^^}	\$10,095.00	\$28,070.00	36.0%	\$70,397.00	14.3%
9	California [^]	\$11,628.00	\$26,757.00	43.5%	\$81,702.00	14.2%
10	Kansas	\$10,787.00	\$22,900.00	47.1%	\$78,166.00	13.8%

⁺ Source: NACCRRA's January 2014 survey of Child Care Resource and Referral State Networks. Some states used the latest state market rate survey.

⁺⁺ Source: U.S. Census Bureau, American Community Survey, 2010-2012 three-year estimates. Table B19026.

NR: Data was not reported or not available for some categories of care.

[^] 2012 Data, adjusted for inflation.

^{^^} 2011 Data, adjusted for inflation.

Center-Based Four-Year-Old Care by State

Appendix III provides a complete listing of 2013 rankings of affordability for child care for a four-year-old in a center.

Table 3: Top 10 Least Affordable States for Center-Based Care for a Four-Year-Old in 2013

Rank	State	Average Annual Cost of Care for 4-Year-Old Child in a Center ⁺	State Median Income for Single Mother Family ⁺⁺	Cost of Care as a Percentage of Median Income for a Single Mother	State Median Income for a Married Couple ⁺⁺	Cost of Care as a Percentage of State Median Income for a Married Couple
1	New York ^{^^}	\$12,280.00	\$25,887.00	47.4%	\$91,525.00	13.4%
2	Vermont [^]	\$10,068.00	\$23,950.00	42.0%	\$80,663.00	12.5%
3	Oregon	\$8,615.00	\$21,472.00	40.1%	\$72,631.00	11.9%
4	Nevada ^{^^}	\$8,208.00	\$28,070.00	29.2%	\$70,397.00	11.7%
4	Minnesota	\$10,812.00	\$26,060.00	41.5%	\$92,299.00	11.7%
6	Colorado	\$9,871.00	\$27,491.00	35.9%	\$85,961.00	11.5%
7	Wisconsin	\$9,302.00	\$23,976.00	38.8%	\$82,605.00	11.3%
8	Massachusetts	\$12,320.00	\$27,323.00	45.1%	\$111,368.00	11.1%
9	Rhode Island	\$10,400.00	\$25,929.00	40.1%	\$94,393.00	11.0%
10	Maine	\$8,320.00	\$22,568.00	36.9%	\$76,245.00	10.9%
10	Montana	\$7,805.00	\$20,974.00	37.2%	\$71,407.00	10.9%
10	Washington	\$9,306.00	\$25,873.00	36.0%	\$85,038.00	10.9%

⁺ Source: NACCRRA's January 2014 survey of Child Care Resource and Referral State Networks. Some states used the latest state market rate survey.

⁺⁺ Source: U.S. Census Bureau, American Community Survey, 2010-2012 three-year estimates. Table B19026.

[^] 2012 Data, adjusted for inflation.

^{^^} 2011 Data, adjusted for inflation.

Center-Based School-Age Child Care by State

See Appendix IV for a complete listing of 2013 rankings of affordability for center-based school-age care.

Table 4: Top 10 Least Affordable States for Center-Based Before-/After-School Care for a School-age Child in 2013

Rank	State	Average Annual Cost of School-Aged Care in a Center ⁺	State Median Income for Single Mother Family ⁺⁺	Cost of Care as a Percentage of Median Income for a Single Mother	State Median Income for a Married Couple ⁺⁺	Cost of Care as a Percentage of State Median Income for a Married Couple
1	New York ^{^A}	\$11,352.00	\$25,887.00	43.9%	\$91,525.00	12.4%
2	Montana	\$7,659.00	\$20,974.00	36.5%	\$71,407.00	10.7%
3	Wisconsin	\$8,683.00	\$23,976.00	36.2%	\$82,605.00	10.5%
4	Hawaii	\$8,936.00	\$28,110.00	31.8%	\$86,875.00	10.3%
5	Wyoming ^{^A}	\$7,914.00	\$23,191.00	34.1%	\$78,860.00	10.0%
6	West Virginia	\$6,500.00	\$17,480.00	37.2%	\$69,481.00	9.4%
7	Arkansas	\$5,856.00	\$18,615.00	31.5%	\$64,688.00	9.1%
8	Arizona	\$6,223.00	\$25,560.00	24.3%	\$70,603.00	8.8%
9	District of Columbia	\$13,211.00	\$26,310.00	50.2%	\$162,947.00	8.1%
10	Kentucky ^{^A}	\$5,468.00	\$18,426.00	29.7%	\$72,183.00	7.6%

⁺ Source: NACCRRA's January 2014 survey of Child Care Resource and Referral State Networks. Some states used the latest state market rate survey.

⁺⁺Source: U.S. Census Bureau, American Community Survey, 2010-2012 three-year estimates. Table B19026.

NR: Data was not reported or not available for some categories of care.

NA: Not available. Percentage not calculated and rank not assigned because cost data was not reported.

^A 2012 Data, adjusted for inflation.

^{^A} 2011 Data, adjusted for inflation.

The Unique Child Care Landscape in the District of Columbia

The cost of care in the *District of Columbia* is higher than in any of the 50 states. Due to the unique nature of costs for child care in the *District of Columbia*, costs are shown in the Appendices, but not included in rankings of affordability and tables of cost ranges.

The *District of Columbia* is an exclusively urban area, with a large income disparity between single parent and two-parent family incomes.

The *District of Columbia* has a very high median income for two-parent families—higher than any of the 50 states—and a very low median income for single parent families. The median income for single parent households is just 16 percent of that for two-parent households.

Combined with the cost of care being higher than any of the 50 states, it is difficult to draw comparisons with the 50 states.



CHILD CARE AND THE FAMILY BUDGET

What Families Pay for Child Care

Families pay a significant part of their earnings for child care, making child care an increasingly difficult financial burden for working families to bear.

As previously mentioned, this report analyzes the cost of care in legally operating child care centers and family child care homes. As such, the report does not describe child care provided by a relative or a nanny or informal child care provided by a neighbor or friend. Legally operating programs include licensed programs and child care programs that are legally exempt from licensing.

The U.S. Department of Health and Human Services considers 10 percent of family income for child care as a benchmark for affordable care.²⁸ Yet, as the survey results show, many families spend significantly more than 10 percent of their income on child care.

Depending on the state, the average cost of full-time care for one infant in a center ranges from seven percent to 16 percent of the state median income for a married couple. In every state, the average cost of center-based infant care exceeds 23 percent of median income for single parents.

In 38 states and the *District of Columbia*, the average cost of center-based care for an infant exceeds ten percent of state median income for a married couple with children.

The average annual cost of child care for a four-year-old child exceeds 10 percent of the median household income for a married couple with children in 23 states and the *District of Columbia*.

"The lack of availability paired with the soaring cost of child care is creating a very real crisis in our community. These factors are contributing to an exodus of young families which greatly affects the economic sustainability of our community."

- Chris Murray
Father in Juneau, Alaska

Families paid more for child care in 2013 than in previous years. Annual hourly earnings rose by about 0.7 percent while the cost of living rose by 1.4 percent.²⁹ The average cost of infant care in a center increased by about 0.9 percent, while the average cost of infant care in a family child care home increased 1.9 percent.

The average cost of child care is high for all types of care. The Key Facts diagram on the following page displays the range of average child care costs among the states for various types of child care.

Key Facts on the Average Cost of Child Care														
<p><i>The average cost of full-time infant care is most expensive in Massachusetts and least expensive in Mississippi.</i></p>	<p>Highest and Lowest Average Annual Cost for Full-Time Infant Care</p> <table border="1"> <thead> <tr> <th>Setting</th> <th>State</th> <th>Average Annual Cost</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Center-Based Care</td> <td>Mississippi</td> <td>\$5,496</td> </tr> <tr> <td>Massachusetts</td> <td>\$16,549</td> </tr> <tr> <td rowspan="2">Family Child Care Home</td> <td>Mississippi</td> <td>\$4,560</td> </tr> <tr> <td>New York</td> <td>\$10,727</td> </tr> </tbody> </table>	Setting	State	Average Annual Cost	Center-Based Care	Mississippi	\$5,496	Massachusetts	\$16,549	Family Child Care Home	Mississippi	\$4,560	New York	\$10,727
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<p><i>The average cost of child care for a four-year old is most expensive for center-based care in Massachusetts and family child care home in New York, and least expensive in Tennessee.</i></p>	<p>Highest and Lowest Average Annual Cost for Four-Year-Old Child Care</p> <table border="1"> <thead> <tr> <th>Setting</th> <th>State</th> <th>Average Annual Cost</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Center-Based Care</td> <td>Tennessee</td> <td>\$4,515</td> </tr> <tr> <td>Massachusetts</td> <td>\$12,320</td> </tr> <tr> <td rowspan="2">Family Child Care Home</td> <td>South Carolina</td> <td>\$4,039</td> </tr> <tr> <td>New York</td> <td>\$9,962</td> </tr> </tbody> </table>	Setting	State	Average Annual Cost	Center-Based Care	Tennessee	\$4,515	Massachusetts	\$12,320	Family Child Care Home	South Carolina	\$4,039	New York	\$9,962
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<p><i>The average annual cost of before- and/or after-school center-based care for a school-age child ranged from \$1,086 in Louisiana to \$11,352 in New York.</i></p>	<p>Highest and Lowest Average Annual Cost for Before and After School Care</p> <table border="1"> <thead> <tr> <th>Setting</th> <th>State</th> <th>Average Annual Cost</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Center-Based Care</td> <td>Louisiana</td> <td>\$1,086</td> </tr> <tr> <td>New York</td> <td>\$11,352</td> </tr> <tr> <td rowspan="2">Family Child Care Home</td> <td>South Carolina</td> <td>\$1,817</td> </tr> <tr> <td>New York</td> <td>\$9,844</td> </tr> </tbody> </table>	Setting	State	Average Annual Cost	Center-Based Care	Louisiana	\$1,086	New York	\$11,352	Family Child Care Home	South Carolina	\$1,817	New York	\$9,844
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<p><i>The average annual cost of child care for two children ranges from \$8,616 for family child care home care in South Carolina to \$28,869 for center-based care in Massachusetts.</i></p>	<p>Highest and Lowest Average Annual Cost for the Care of Two Children</p> <table border="1"> <thead> <tr> <th>Setting</th> <th>State</th> <th>Average Annual Cost</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Center-Based Care</td> <td>Mississippi</td> <td>\$10,296</td> </tr> <tr> <td>Massachusetts</td> <td>\$28,869</td> </tr> <tr> <td rowspan="2">Family Child Care Home</td> <td>South Carolina</td> <td>\$8,616</td> </tr> <tr> <td>New York</td> <td>\$20,689</td> </tr> </tbody> </table>	Setting	State	Average Annual Cost	Center-Based Care	Mississippi	\$10,296	Massachusetts	\$28,869	Family Child Care Home	South Carolina	\$8,616	New York	\$20,689
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The difference in cost between centers and family child care homes can be large. For example, in *Minnesota* the cost difference between care in a family child care home and center-based care for two children (an infant and a four-year-old) was nearly \$10,000.

Appendix I shows the 2012-2013 average annual average cost in each state and the *District of Columbia* for full-time care for infants, four-year-olds and school-age children in centers and family child care homes. Appendices II-IV show state rankings for center-based care for infants, four-year-olds and school-age children.

Child Care Is One of the Highest Budget Items for Families

The following chart shows how the average total cost of full-time care for two children (an infant and a four-year-old) in a center compares to other typical household costs by region for housing, utilities, transportation, food and health care. The comparison to college tuition is included in the chart because in many states the cost of a year's tuition and fees at a four-year public college is comparable to the average cost of child care.

The cost of full-time center-based care for two children is the highest single household expense in the Northeast, Midwest and South. In the West, the cost of child care for two children is surpassed only by the cost of housing in the average family budget.

The cost of child care fees for two children exceeds housing costs for homeowners with a mortgage in 23 states and the *District of Columbia*. Child care fees for two children in a child care center also exceed annual median rent payments in every state.

In every region of the United States, average child care fees for an infant in a child care center are more than double the average amount that families spend on food.

Appendix V has information about child care center costs and median housing costs by state.

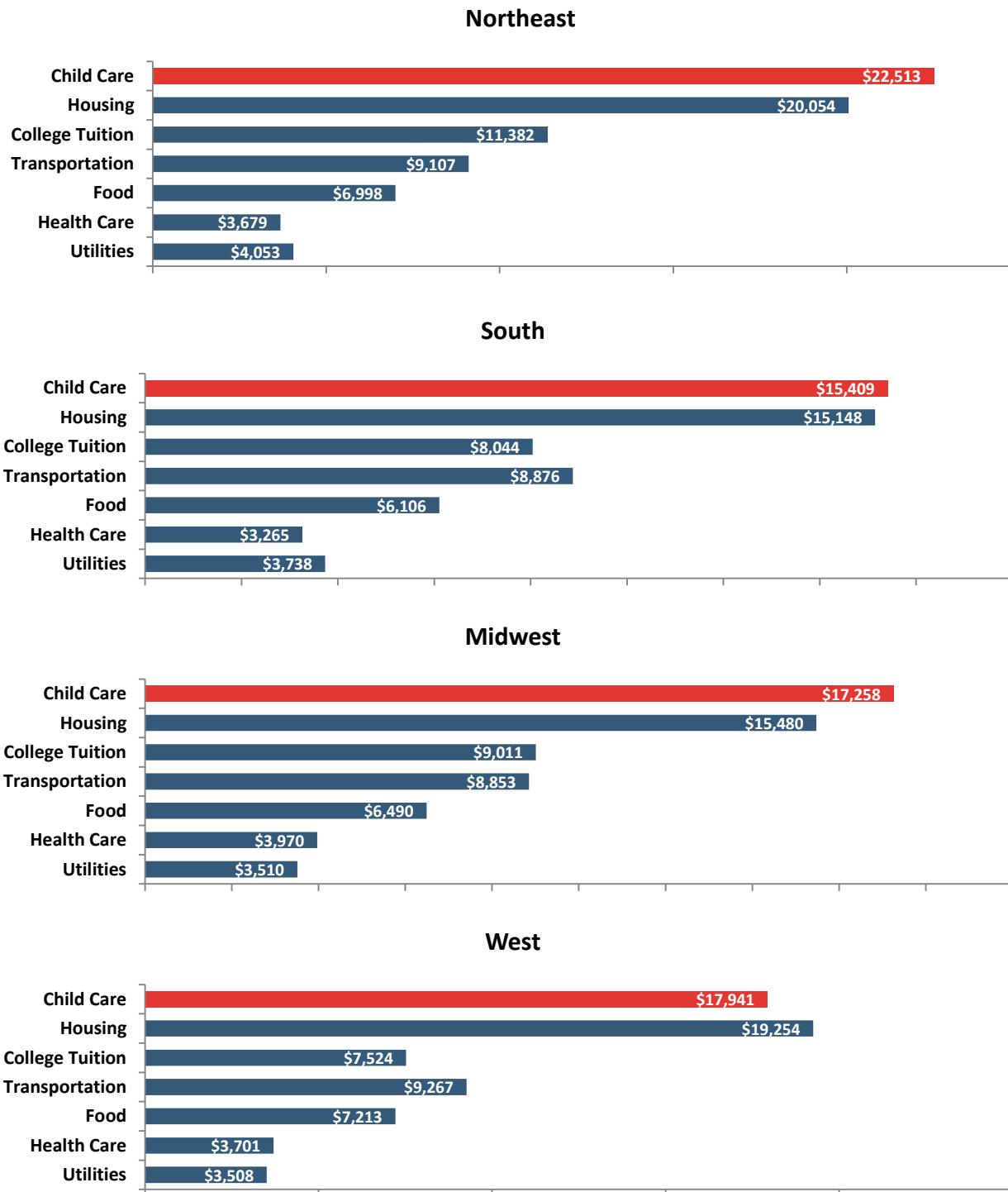
In 2013, the average annual cost for an infant in center-based care was higher than a year's tuition and fees at a four-year public college in 31 states and the District of Columbia.

Child Care is Expensive Compared to College Costs

As noted in the previous charts, the cost of child care is comparable to or exceeds college tuition. In 2013 the average annual cost for an infant in center-based care was higher than a year's tuition and fees at a four-year public college in 31 states and the *District of Columbia*. Even the annual average cost of care for a four-year-old in a center, which is less expensive than care for an infant, was higher than public college tuition and fees in 20 states and the *District of Columbia*.³⁰

Appendix VI shows the 2013 average annual costs of full-time child center-based care for an infant, a four-year-old child or a school-age child compared to public college tuition and fees by state.

Figure 2: Center-Based Care Costs for Two Children Compared With Other Major Household Expenses by Region



Sources: Child care costs per region based on unweighted averages across states per region, 2013 costs for an infant and 4-year old in full-time care in a center, Appendix I. Other household expenses reported by U.S. Department of Labor, Bureau of Labor Statistics, Consumer Expenditure Survey 2012-13. <http://www.bls.gov/cex/csregion.htm> College tuition is from Trends in College Pricing: 2013. <http://trends.collegeboard.org/sites/default/files/college-pricing-2013-full-report.pdf>

High Costs Make Child Care Unaffordable for Many Low-Income Families

The cost of child care is particularly difficult for families living at the federal poverty level. The federal poverty level is \$19,790 for a family of three. Key Facts on Child Care Costs and Poverty below displays the states where families at the poverty level would pay the highest and lowest percentages of their total income on child care for an infant.

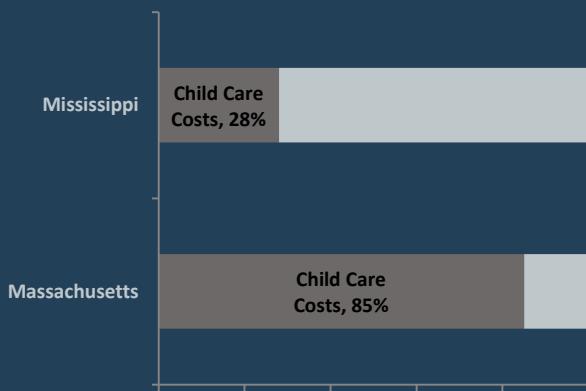
Families of three in *Massachusetts* living at the poverty level would have to pay nearly 85 percent of their income for full-time center-based care for an infant. For family home care, families of three in *New York* living at the poverty level would have to pay almost 55 percent of their income for full-time care in a family child care home for an infant.

Even for families of three earning an income double the federal poverty threshold, child care is a significant burden. The range for center-based infant care is 14 percent of income for a low-income family in *Mississippi* up to over 42 percent of family income in *Massachusetts*. Likewise, the range for care for an infant in a family child care home is 11.7 percent of income for a low-income family in *Mississippi* up to 27.5 percent of family income in *New York*.

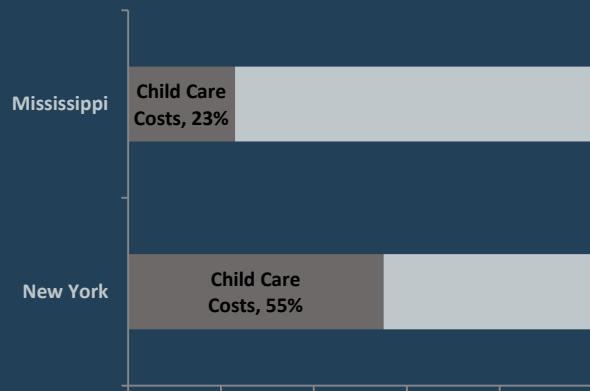
Appendix VIII (infants and two children) and Appendix IX (four-year-olds) show the average annual cost of center-based child care in every state as a percentage of the federal poverty level, at 150 percent of the federal poverty level and at 200 percent of the federal poverty level.

Key Facts on Child Care Costs and Poverty

Highest and Lowest Average Child Care Costs as a Percentage of Income for Families at the Poverty Level:
Center-Based Infant Care



Highest and Lowest Average Child Care Costs as a Percentage of Income for Families at the Poverty Level:
Infant Care in a Family Child Care Home





"As a hotel clerk with unpredictable hours, I need flexible child care. My schedule is set week to week. Right now, it's pretty much whoever's around. I'm juggling three or four people and don't qualify for assistance although I'm at the 200% poverty level."

*-Efuru Lynch
Mother in San Francisco*

The cost of child care is difficult for single parents even at the state median income. Among the 50 states, the annual cost of

center-based infant care averaged over 40 percent of the state median income for a single parent. It ranged from 23.8 percent of income in *South Dakota* to 60.6 percent of income in *Massachusetts*.

Similarly, the annual average cost of center-based care for a four-year-old child averaged nearly 33 percent of the state median income for a single parent and ranged from 22.6 percent in *Tennessee* to 47.4 percent in *New York*.

Appendix VII shows the 2013 ranking of affordability of center-based care for single parents.

PAYING FOR CHILD CARE

Funding for Child Care

There are multiple funding sources for child care in the United States, but each serves only a fraction of the eligible population and they do not integrate into a coordinated, quality child care system. Depending on the funding source, child care programs offer a wide range of child care quality options and charge parents vastly different fees.³¹ Some states are making efforts to layer these different funding streams to provide full day, full year, and improved quality early care and education for young children at lower costs to families.

Parents

About 60 percent of funding for child care in the United States comes directly from parents.³² In comparison, families only pay about 23 percent of the cost of a public college education, while the rest is heavily subsidized by state and federal funds.³³

Federal Funding

About 2.6 million children received federal subsidies through one of several funding sources including the Child Care and Development Block Grant (CCDBG), Temporary Assistance for Needy Families (TANF) and the Social Services Block Grant (SSBG).

The federal government invests almost \$8 billion annually in local Head Start and Early Head Start programs, which meet significantly higher standards and provide comprehensive services for children living below the poverty

level or children with disabilities.³⁴ Head Start programs currently serve approximately 40 percent of income-eligible children,³⁵ and Early Head Start serves less than four percent of income-eligible children.³⁶

CCDBG is the primary source of public funding for child care. Through CCDBG, the federal government provides grants to states to provide monthly subsidies or vouchers to low-income families (up to 185 percent of the state median income) to help them pay for child care; parents pay a co-payment, typically 10 percent of the cost of care. About 1.7 million children receive assistance through CCDBG, supporting approximately one out of every six eligible children.³⁷

Fifty percent of the families receiving child care assistance through CCDBG funding had an annual income below the federal poverty level (\$19,790 for a family of three). Another 25 percent had income between 100 and 150 percent of the poverty threshold.³⁸

Congressional funding of CCDBG has been static since 2002. States have experienced increased demand for child care subsidies with no increase in federal funding. To meet the need, states implement strategies that affect the care children receive by:

- Paying child care providers lower reimbursement rates so providers lose funding and subsidize the cost of serving children themselves or accept fewer children
- Increasing the parent co-payment so the same amount of funding can be spread

- further, thus making child care unaffordable for some families.
- Making parent eligibility tighter and serving fewer children.

Parents receiving funds from CCDBG are not required to use licensed care. Nearly one in five children (19 percent) who receive CCDBG assistance is in unlicensed care. In ten states, 30 percent or more of the children who receive CCDBG assistance are in unlicensed settings.³⁹ Unlicensed care is not subject to regular inspections, and research has shown that unlicensed care is typically of lower quality.

Parents receiving funds from CCDBG are not required to use licensed care. Nearly one in five children who receive CCDBG assistance is in unlicensed care.

Tax Credits

Parents and businesses can take advantage of tax credits for supporting child care, including the Earned Income Tax Credit, the Child Tax Credit, the Child and Dependent Care Tax Credit, and Dependent Care Assistance Programs. The amount of benefits available varies by state and the family's income.⁴⁰

Other Sources

Less than 1 percent of funding for child care comes from business and philanthropy.⁴¹

A major hidden funding source for child care is the teacher wages in child care centers and family child care homes. If child care teachers

and providers earned wages comparable to those with similar levels of educational attainment, child care costs would be higher. In effect, the low wages of the early care and education workforce serve as a subsidy for parents and businesses.⁴² When adjusted for inflation, child care providers earned \$135 less per year in 2013 than in 2012.⁴³

Other Support for Child Care Systems Development

CCDBG requires states to spend a minimum of four percent of the monies received on quality improvement. While minimal, these funds are important resources for strengthening child care policy and funding quality improvement initiatives.

State Advisory Councils on Early Childhood Education and Care (SACs)—mandated by the 2007 Head Start legislation—facilitate public and private partnerships. These partnerships vary across the nation and some have been successful in taking advantage of multiple funding streams, creating efficiencies by modifying conflicting policies and creating incentives for the private sector to invest in child care.

The Cost of Unregulated Child Care

Child Care Resource and Referral agencies (CCR&Rs) throughout the country report that due to the high cost of care, some families choose to move their children from licensed programs to informal/unlicensed child care settings.

Not all child care centers and family child care homes are governed by state licensing

regulations; for example, some states enable programs run by religious organizations to be license-exempt. Depending on the state, programs that are exempt from licensing but are legally operating may not have to follow regulations about group size, ratios, staff education, square footage, activities and materials, which can reduce costs. If these programs choose not to meet licensing regulations, they can lower their expenses and may charge less, so the reported state average would be lower.

While the costs of unregulated care may be lower than those represented in this report, the quality of care in unregulated facilities is consistently lower than regulated sites. Unlicensed care is not subject to basic health and safety requirements, minimum training requirements or background checks for providers. Unlicensed care is also not inspected. In the case of unlicensed care, no one is performing these types of quality inspections.

Many states allow informal care to operate legally. Twenty-seven states do not require a license for family child care providers until five or more children are cared for in the home. Eight states allow family child care providers to care for six or more children for pay without a license or any oversight.⁴⁴ In 11 states, it is illegal to provide care for even one child for compensation without a license and monitoring.

Although child care in informal situations may be more financially affordable in the short run, there may be hidden costs that are paid later. School-readiness only becomes evident when children enter kindergarten. In Maryland, for example, assessments have consistently found that children who attend regulated child care programs do better when they enter kindergarten than children who had child care in informal or unregulated settings.⁴⁵



EXPANDING ACCESS TO QUALITY, AFFORDABLE CHILD CARE

Potential Solutions

This report describes the high cost of child care around the country, explained what makes it high, and demonstrated that most parents are unlikely to be able to afford the true cost of high quality child care. At the same time, we see in this report that early learning and development is perhaps the most important investment our nation can make – creating opportunities to promote better individual life outcomes as well as strengthening our current and future economy.

Where do we go from here? Child Care Aware® of America is not satisfied with simply describing the problem; we are dedicated to finding workable solutions. Although by no means exhaustive, this section explores creative strategies being employed around the country to make high quality child care more affordable and available for American families.

Expand the Supply of Sustainable, Quality Child Care Options for Families

Parents want child care they can rely on that nurtures the development of their children and enables them to meet their responsibilities. When care providers invest in meeting higher quality standards, offer staff salaries that are competitive with the public school system, or serve younger children, they add to the expenditures column of their

budgets without a guarantee of a comparable rise in revenues. Additional public and private investments and creative strategies are needed to strengthen the child care sector.

Quality child care settings need a stable foundation. Strategies include:

Estimating the cost of quality and building incentives for programs to meet higher standards

Child care settings, like any business or non-profit, need to take into account revenues, expenses, regulations that must be met such as child care licensing standards, quality improvement investments, and marketing. To strengthen child care as a business sector, policymakers and program directors need estimates of what it costs to, for example, require better staff-to-child ratios – which allow teachers to give more individualized attention to the children in their group.

However, most states do not use true cost estimates to set payment rates for providers that care for children receiving state child care subsidies. The rules that govern the federal Child Care and Development Block Grant—the main source of federal dollars available to states to assist families to pay for child care—require states to conduct a market rate survey of the prices child care providers charge for care every two years.⁴⁶ Federal guidance recommends that states set their rates no lower than the 75th percentile of market rate, or high enough to access 75 percent of

providers in the market. States are not required to set their payment rates to subsidize providers based on the 75th percentile of updated versions of market rate studies, and in 2014 only one state did so.⁴⁷ Furthermore, market rate surveys only capture what providers have been able to charge private pay clients, and given that few parents can afford the true cost of quality care, this method of rate setting is not a mechanism for securing access to quality services.

"For the sake of all our nation's children and the health of our society and economy, should there not be a priority set on pursuing high-quality child care as a caring and compassionate priority? Every child's future depends on fashioning the best possible environment to build critical life skills for learning, behavior, and perseverance. By the fifth year of a child's life, 90% of his or her brain has developed. By that age each child, by virtue of life circumstances, has a poor to excellent foundation for learning critical life skills. Research clearly confirms significant cognitive and social benefits stem from high-quality child care during the early years. Providing children, especially those from families with limited means, with such care should be a joint investment priority for the private and public sectors."

*-Larry Jensen, President & CEO
Cushman & Wakefield/
Commercial Advisers*

Online tools are available to help providers and state child care administrators develop estimates using their own circumstances and

data. [The Provider Cost of Quality Estimator](#) and the [Cost Estimator Model](#) are both available through support of the Office of Child Care, Administration for Children and Families, Department of Health and Human Services. First developed by Anne Mitchell and the Alliance for Early Childhood Finance, these tools can support better program and policy planning and demonstrate the gap between what parents can pay and the true cost of programming that will support children's growth and development.

The Department of Early Learning in Washington State commissioned a [Cost of Quality](#) report to calculate the costs of meeting the different levels of quality included in the state [Early Achievers QRIS](#) model. Effective financial incentives and appropriate payment rates enable providers that want to enhance quality to do so, in turn promoting the state's goal of raising school readiness of young children.

Strengthening child care businesses by increasing efficiencies and working together

Some child care program directors are realizing they can redirect more of their budgets to quality and teacher salaries when they share the administrative costs of running their businesses with other child care programs. In this innovative approach, multiple programs contribute to overhead costs they all must pay, such as leadership, staff salaries and benefits management, sanitation, food services, and/or insurance plans. By pooling their resources and purchasing goods and services in bulk, these programs are in a better position to leverage lower costs. Savings can then be invested in quality improvements.

Several of these “shared services alliances” are operating across the country. Online resources, case studies, and information on existing alliances are available to build or join an alliance through the [Opportunities Exchange](#) and the Merage Foundation’s [Early Learning Ventures](#) program.

“A Shared Service model can save money and improve quality. Through Shared Services you can do combined purchasing, share back office functions, do collaborative training, set up a central referral office for all client services, and many other costly activities. The money you save then can be put back into employee salaries and benefits which will attract a more educated staff to work with the children.”

*-Phil Acord
Chambliss Center for Children
Chattanooga, TN*

Building the supply of family child care settings offering quality infant and toddler care

Some parents prefer that their very young children be cared for in a home environment, but family child care providers often need support to be able to offer nurturing care to children, engage families, and manage the business of being a provider.⁴⁸ Efforts to build new and stronger family child care settings are being implemented in communities across the country, typically by creating staffed networks or community-based partnerships between individual home providers and an established agency to help providers with

quality enhancement and business management.

A study of staffed family child care networks found significant differences in quality provided as compared to non-affiliated providers, especially when the staff that worked with family child care providers had specialized postsecondary level preparatory coursework with a focus on infant and toddler child care.⁴⁹ Programs like [All Our Kin](#) in New Haven, Connecticut have demonstrated higher quality and benefits to the local economy through a family child care network.⁵⁰

Layering funding to create quality programs that meet needs of families

A 2014 federal initiative – [Early Head Start-Child Care Partnerships](#) – made \$500 million available to states, localities, or programs to expand access to Early Head Start for infants, toddlers, and families living in poverty, including through partnerships with existing child care programs. Applicants for funding received extra points for using a partnership strategy for their proposed expansion, and were encouraged to layer child care subsidy funding and the Early Head Start grant together to offer full day, full year center or family child care home learning opportunities along with the comprehensive health, social, and nutrition services required in federal Program Performance Standards for Head Start grantees. The new initiative drew on the promising results of the [Early Head Start for Family Child Care pilot project](#) that supported the development of partnerships in 22 sites across the country.⁵¹

Involve Businesses in Supporting Better Child Care for their Workforce and Communities

Leading business organizations are actively encouraging the public, their constituencies, and policymakers to support investments in better child care and learning experiences for young children in the interest of the future of the country. They also are clear that their current and future workforce depends on high quality child care. The [Committee for Economic Development](#) and [Ready Nation](#) are both business membership organizations that [make this argument](#) and [provide tools](#) to business leaders on this topic. Many local and state Chambers of Commerce are also actively advocating for increased investments in quality child care to both support the current workforce and the school readiness of children.

Encouraging business to take an active role in solving the child care crisis with their employees

In Georgia, the [Georgia Early Education Alliance for Ready Students](#) developed a state specific toolkit to encourage business leaders to address the child care needs of their employees. The [GEEARS toolkit](#) includes background information on the issue, provides ideas for how businesses can expand affordability and accessibility of child care, and promotes family friendly policies that allow better work-life balance.

"The idea behind the toolkit was to help business community partners understand how child care impacts their bottom line and give them tools to take action on behalf of their employees."

*-Mindy Binderman
Georgia Group GEEARS*

Using the tax system to provide incentives for business investment

Tax credits defray the tax burden for businesses that support an activity the government wishes to encourage. Unlike a deduction, credits don't just lower the amount of taxable income; they actually lower the bottom line of tax liability.⁵² Some states are looking to the tax system to help build the supply of child care options.

For example, [Georgia's Employer Credit](#) makes employers eligible for a tax credit of up to 75 percent of the costs to the employer of providing or sponsoring child care for their employees (up to 50 percent of the businesses total state income tax bill). In Louisiana, a business can be eligible for tax credits for supporting child care centers that are part of the state's Quality Start QRIS, with higher credits for higher quality rating levels. There is also a credit of up to \$5,000 available to businesses that donate funding to child care resource and referral agencies.⁵³



Financing high quality programs using private investment through a “pay for success” model

A new approach to public-private partnership is emerging through “pay for success bonds” (also called “social impact bonds” or “social benefit bonds”). These bonds pay for social investments that have a public benefit. The government contracts with an intermediary organization to provide the program and sets target outcomes to measure success. Private investors provide the upfront capital to the intermediary and investors earn back a return on this investment only if an independent evaluator determines that target outcomes set by the government are met. The government then pays the private investors.⁵⁴

A dozen states across the country have passed or are considering pay for success legislation.⁵⁵ For example, in Salt Lake City, private investment from Goldman Sachs and the J. B. Pritzker Family Foundation to the

United Way of Salt Lake City is expanding access to the Utah High Quality Preschool Program.⁵⁶ Some in the early childhood field see the potential to build this type of financing into child care systems as a new financing source, given research on high quality programs having a long-term positive impact on child development and future earnings.⁵⁷ Online resources and information may be found at the [Ready Nation website](#).

Strategies to Help Individual Families Pay for Child Care

At the national level, federal investments in strategies to help families afford high quality child care are critically important, but not adequate to secure access to affordable care for all families. The Child Care and Development Block Grant—reauthorized by Congress in November 2014—helps pay for child care for 1.7 million children a month through state administered child care assistance programs for low-income families.

However, the U.S. Department of Health and Human Services estimated in 2009 that child care assistance reached less than 18 percent of potentially eligible children, and since then federal funding has not kept pace with inflation or demand. A new analysis found that the number of children supported through this program has declined to a 15-year low.⁵⁸

The higher cost of living in some communities may mean that families are ineligible for child care subsidies but still struggle financially.

The federal Child and Dependent Care (CADC) Tax Credit allows taxpayers to reduce the amount of their tax liability by up to \$3,000 for one and \$6,000 for two or more dependent children, depending on their family income. While the CADC tax credit is targeted to lower income families (it phases out at higher income levels), it is not refundable, so families with low earnings and little tax liabilities are not eligible for a tax refund for the difference between what they owe and the full credit amount;⁵⁹ in 2009, almost half of American individual taxpayers owed no federal taxes.⁶⁰

In addition, the CADC is not indexed to inflation to reflect higher costs of child care or changes in average salary levels over time.⁶¹ Even so, the CADC and similar tax provisions in 27 states are important to assisting families across the country with the cost of child care.⁶²

Some states and localities are taking steps to build on these foundations with their own efforts, for example:

Assisting families ineligible for state child care assistance through CCDBG

The higher cost of living in some communities may mean that families are ineligible for child care subsidies but still struggling financially. Although they earn more, these families pay more for housing and food and therefore often struggle to pay for child care. In [Madison, Wisconsin](#), the city sets its own income eligibility scale and uses local funds to make child care assistance available to Madison residents whose income make them ineligible for the state administered subsidy program, but who cannot afford the child care they need to work or participate in education or training, or who have a family crisis or a child with special needs. Families must choose a provider accredited by the city.

Offering refundable state tax credits for low- and moderate-income families

Tapping the tax system to help defray the costs of paying for child care is a strategy that may benefit low- and middle-income families struggling with the cost of child care. If they are refundable, credits can help a family with low earnings earn a higher refund to pay back the cost of child care.

Thirteen states offer refundable tax credits for state income taxpayers, including ten (Arkansas, California, Colorado, Hawaii, Iowa, Minnesota, New Mexico, New York, Oregon, and Vermont) that make the credit fully refundable.⁶³ One state also offers tax credits to families who choose higher quality child care. In Louisiana, families with income under \$25,000 can qualify for 200 percent of the cost of child care for a child under age six in a 5-star rated program compared to 50 percent in a two-star rated program through the state's [Quality Start rating system](#).

CONCLUSIONS, RECOMMENDATIONS, AND METHODOLOGY

Parents and the High Cost of Child Care: 2014 Report details the economic challenge America's working families face in paying for child care.

Survey after survey and poll after poll clearly show parents want quality child care and know the importance of safe, stable, stimulating environments for their children.⁶⁴

"Child care is an important part of the fabric of the country and a major support for parents and children. We need a new financing strategy that will significantly increase resources and provide a third party payment system to take the burden off hard pressed families and to allow improved compensation for those who care for our children."

*-Joan Lombardi, Ph.D.
Early Opportunities*

Yet with child care so expensive, especially when compared to other household costs, most families struggle to pay for child care, particularly higher quality care. This challenge to pay for child care is exacerbated for families with more than one child and single-parent families.

Safety, health and school readiness come at a cost that many parents cannot afford. When parents are priced out of legally operating

child care they are often forced to select unlicensed care or patch together multiple informal arrangements; these options have been shown to be of lower quality overall than licensed settings, which has an impact on children's development and learning.

Through careful planning by the states and Congress, America can ensure that quality, affordable child care settings are available for working parents in every community. The status quo is unaffordable. Poor quality child care is simply not working. It is time to do something about it.

Child Care Aware® of America Recommendations

With greater reliance on families to cover the increasing costs of finding and utilizing care for their children, it's critical that this report act not as only as a means for data distribution, but as a reminder that, especially as the federal government moves closer to providing safeguards for quality child care, the federal and state governments take into consideration what solutions are at their disposal to assist families' capacity to afford quality child care.

As increased national attention highlights the dilemma that many families find themselves facing, a choice between safe and quality care or an affordable setting, we call for:

- A national discussion about the impact of the high cost of child care and the cost of quality in child care. This

conversation should explore federal and state options; innovative, low-cost solutions that have shown success; what has worked in other industries; and what models currently exist within communities that have seen success.

- **Congress to require the National Academy of Sciences to produce a study on the true cost of quality child care** and to offer recommendations to Congress for financing that supports families in accessing affordable, quality child care.
- **Congress to review and consider what policy options are available to help families offset the rising cost of child care**, including, but not limited to raising dependent care limits for deductions or providing additional tax credits for families and providers, creating public-private partnerships, and looking to existing states with successful financing models.
- **Federal and state governments to commit to investing in early care and education programs**, especially considering the recent historical progress at the federal level towards ensuring all children in low-income, working families have access to affordable, quality child care.

Ever-tightening budget and spending constraints threaten to exacerbate the strain on the existing financial patchwork of care options already available for families.

- We call on federal and state policymakers to make child care a top priority when working on budgets.
- We call on parents, concerned citizens and early care and education professionals to urge federal and state

legislators to address the often overwhelming cost of quality child care.

- Provide resources for planning and developing child care capacity to increase the availability of high quality child care options for working families.
- Reduce barriers in the subsidy administration process that prevent families from receiving assistance.
- Require states to have more effective sliding fee assistance phase-out plans to ensure that parents who receive a modest raise do not lose all child care assistance.
- Provide child care assistance to families who do not qualify for fee assistance but who cannot afford the market cost of child care in their community.
- Authorize funds for pilots in high poverty rural communities to explore strategies that braid multiple funding sources to better meet the child care needs of working parents (meeting the criteria of the strongest funding stream to ensure safe, quality care for children).

Methodology

In January 2014, Child Care Aware® of America surveyed Child Care Resource and Referral (CCR&R) State Network offices and local CCR&Rs about 2013 cost data related to the average price of child care for infants, four-year-old children and school-age children in legally operating child care centers and family child care homes. CCR&Rs reported this data based on state Market Rate Surveys as well as the databases maintained by the CCR&Rs.

For some states, the cost of care was derived from the latest market rate survey available. The oldest market rate surveys were from Nevada, New Hampshire and New York (2011). Rates collected prior to 2013 were adjusted by the Consumer Price Index; i.e., reported in 2013 dollars, using the Bureau of Labor Statistics Consumer Price Index Inflation Calculator.⁶⁵ Alabama, Delaware, Kentucky, Pennsylvania, South Carolina and Texas did

not report information. The price of child care in these states was adjusted from prior years' data.

For the 2014 survey, we asked about costs for school-age care for the nine-month school year. Since we did not include costs of summer care for school-age children, school-age costs are only comparable to data reported in 2013.



RESOURCES FOR FAMILIES

Local Child Care Resource and Referral agencies (CCR&R) have information about local, state, and government grants, tax credits and scholarships that can help parents meet the cost of child care. Families can find their local CCR&R at <http://childcareaware.org/> or by calling 800-424-2246

Child Care Aware's® Child Care Options Calculator allows families to examine their financial situation both with and without the cost of child care. Factors such as cost of child care, work related expenses, monthly bills, and savings or retirement contributions are all included in the calculator. Families will be able to get an idea of their monthly budget and how child care will impact that budget.

Child Care Aware's® State-by-State Resource Map offers a list of agencies and organizations that provide information for families regarding child development, parenting, and/or child care concerns or questions. Families may access contact information for these agencies by clicking on their state. Information found includes child care licensing, child care provider's inspection reports, child support, Women, Infants and Children (WIC), etc.

Child Care Aware's® Accessing Support for All Parents (ASAP) Decision Making Tool helps families look at factors involved in making decisions about child care. The ASAP Decision Making Tool allows families to:

- Consider critical areas of their lives impacted by child care decisions.

- Examine feelings regarding child care options.
- Seek the most appropriate resources and support for those choices.

The *Decision Making Tool* offers resources which include interactive questions, a budgeting calculator, and various articles intended to aide in a family's child care decision making process.

Federal and state tax credits are available to families, including:

- Up to \$5,891 from the federal Earned Income Tax Credit.
- Up to \$1,000 per child from the federal Child Tax Credit.
- Up to \$2,100 from the federal Child and Dependent Care Tax Credit.

GLOSSARY

Child Care and Development Block Grant (CCDBG): CCDBG is a \$5 billion federal block grant program that provides funding to States, Territories, and Tribes. It is the primary federal funding source devoted to providing access to child care services to low-income working families and to improving the quality of child care.

Child Care Center: An early care and education facility that is licensed/licensed exempt by the state and operates under a proprietary or not-for-profit status, independently, or as part of a large chain of facilities or a faith-based organization.

Family Child Care Homes: Child care offered in a caregiver's own home and, depending on the state's licensing regulations, may be licensed or exempt from licensing.

Illegal child Care:⁶⁶ A child care provider who is legally required to have a license but does not have one is operating illegally without a license, and may be subject to penalties for violating licensing laws.

Infant/Toddler: Infants are children under 12 months old. Toddlers are children between the ages of 12 and 36 months.

Legally operating child care: Licensed child care programs or programs legally exempt from licensure by state legislation.

Licensed child care: Family child care homes and child care centers that are legally required to comply with state standards and to be inspected. Legislation by individual states define which programs are required to be licensed.

License-exempt child care:⁶⁷ Child care that can operate legally without a license. License-exempt child care programs are not required to comply with all state standards, and they have minimal or no inspections. Legislation by individual states defines which programs are exempt from licensure. Examples of providers that some states choose to exempt from licensure include providers caring only for their relatives; family child care providers caring for fewer children than the number required for state licensing; centers operated by religious or faith-based organizations, state agencies, local governments, military facilities and programs that operate less than four hours a day; nannies who care for children in the children's own home.

Preschool Age: Children ages 3 to 5 years, who are not yet in kindergarten, are considered to be of preschool age.

Rural: The U.S. Census Bureau defines areas with population of less than 50,000 as rural areas.

School Age: Children who have started school, normally 5 years and older, are considered to be school age.

Urban: The U.S. Census Bureau defines an urban area as a built-up area with population of 50,000 or more. It encompasses of one or more central places and is adjacent to densely settled surrounding areas, known as urban fringe.

APPENDICES

Appendix I: 2013 Average Annual Cost of Full-Time Child Care by State

State	Child Care Center			Family Child Care		
	Infant	4-Year-Old	School-Age	Infant	4-Year-Old	School-Age
Alabama^	\$5,547	\$5,869	\$5,223	\$4,793	\$4,927	\$4,685
Alaska	\$10,280	\$8,283	\$5,923	\$8,580	\$7,779	\$5,179
Arizona	\$9,166	\$7,334	\$6,223	\$6,727	\$6,334	\$6,134
Arkansas	\$5,933	\$4,944	\$5,856	\$5,046	\$4,588	\$6,227
California^	\$11,628	\$8,099	\$2,493	\$7,555	\$7,153	\$2,872
Colorado	\$13,143	\$9,871	\$4,920	\$8,817	\$8,183	\$4,260
Connecticut	\$13,241	\$11,006	\$5,472	\$9,790	\$9,351	\$4,388
Delaware^	\$9,058	\$7,208	\$6,541	\$6,916	\$5,893	\$4,773
District of Columbia	\$21,948	\$17,304	13211	\$15,240	\$12,012	\$9,159
Florida	\$8,376	\$6,647	\$3,791	\$7,449	\$6,325	\$4,083
Georgia	\$7,025	\$5,947	\$3,585	\$5,781	\$5,293	\$3,219
Hawaii	\$11,748	\$8,817	\$8,936	\$7,540	\$7,375	\$7,449
Idaho^	\$6,483	\$6,380	\$4,042	\$5,389	\$5,114	\$4,614
Illinois	\$12,568	\$9,300	\$5,912	\$7,717	\$7,188	\$4,537
Indiana	\$8,281	\$6,448	\$5,051	\$6,591	\$5,343	\$3,600
Iowa^	\$9,185	\$7,904	\$4,388	\$6,785	\$6,521	\$4,136
Kansas	\$10,787	\$7,615	\$5,429	\$6,667	\$5,819	\$4,087
Kentucky^	\$6,194	\$5,971	\$5,468	\$5,411	\$5,369	\$5,126
Louisiana^	\$5,655	\$4,882	\$1,086	\$4,836	\$4,660	\$1,995
Maine	\$9,360	\$8,320	\$4,368	\$6,760	\$6,500	\$3,705
Maryland	\$13,897	\$9,490	\$4,109	\$9,528	\$7,798	\$3,632
Massachusetts	\$16,549	\$12,320	\$3,414	\$10,535	\$9,904	\$3,955
Michigan	\$9,724	\$7,956	\$4,140	\$6,656	\$6,448	\$4,068
Minnesota	\$13,993	\$10,812	NR	\$7,835	\$7,108	NR
Mississippi	\$5,496	\$4,800	\$3,840	\$4,560	\$4,320	\$3,180
Missouri^	\$8,736	\$6,074	\$3,508	\$5,644	\$4,894	\$3,059
Montana	\$8,858	\$7,805	\$7,659	\$7,173	\$6,748	\$6,717
Nebraska	\$9,100	\$7,800	\$4,875	\$6,760	\$6,500	\$4,875
Nevada^^	\$10,095	\$8,208	\$4,882	\$8,481	\$7,855	\$3,432
New Hampshire^^	\$11,901	\$9,623	\$4,577	\$8,688	\$8,275	\$2,962
New Jersey	\$11,534	\$9,546	\$3,475	\$8,699	\$7,790	\$3,268
New Mexico	\$7,523	\$6,868	\$3,366	\$6,179	\$5,791	\$3,610
New York^^	\$14,508	\$12,280	\$11,352	\$10,727	\$9,962	\$9,844

State	Child Care Center			Family Child Care		
	Infant	4-Year-Old	School-Age	Infant	4-Year-Old	School-Age
North Carolina	\$9,107	\$7,471	\$3,740	\$6,828	\$5,826	\$3,641
North Dakota	\$7,871	\$7,147	NR	\$6,662	\$6,383	NR
Ohio	\$7,771	\$6,487	\$4,027	\$6,744	\$6,080	\$4,145
Oklahoma	\$7,741	\$5,761	\$3,546	\$6,225	\$5,398	\$3,650
Oregon	\$11,078	\$8,615	\$3,888	\$6,878	\$6,409	\$3,852
Pennsylvania^	\$10,470	\$8,727	\$5,601	\$7,943	\$7,128	\$5,263
Rhode Island	\$12,662	\$10,400	\$5,323	\$9,880	\$9,100	\$5,850
South Carolina^	\$6,372	\$5,385	\$2,221	\$4,577	\$4,039	\$1,817
South Dakota^	\$5,571	\$5,319	\$3,941	\$4,727	\$4,537	\$3,482
Tennessee	\$5,857	\$4,515	\$2,451	\$4,773	\$4,064	\$2,516
Texas^	\$8,619	\$6,643	\$3,165	\$6,623	\$5,192	\$2,604
Utah	\$8,052	\$6,108	\$3,285	\$6,000	\$5,232	\$2,952
Vermont^	\$10,103	\$10,068	\$5,409	\$7,729	\$7,191	\$4,741
Virginia	\$10,028	\$7,696	\$4,953	\$8,272	\$6,656	\$4,173
Washington	\$12,332	\$9,306	\$4,317	\$9,252	\$7,678	\$3,679
West Virginia	\$7,800	\$6,760	\$6,500	\$5,720	\$5,200	\$5,200
Wisconsin	\$11,342	\$9,302	\$8,683	\$8,963	\$8,088	\$7,643
Wyoming^	\$9,233	\$7,914	\$7,914	\$7,914	\$7,122	\$7,122

Source: NACCRRA's January 2014 survey of Child Care Resource and Referral State Networks. Some states used the latest state market rate survey.

NR: Data was not reported or not available for some categories of care.

[^] 2012 Data, adjusted for inflation

^{^^} 2011 Data, adjusted for inflation

Appendix II: 2013 Ranking of Least-Affordable Child Care for Center-Based Infant Care

(1 = Least Affordable, 51 = Most Affordable)

Rank is based on cost of child care as percentage of state median income for two-parent family.

Rank	State	Average Annual Cost of Infant Care*	State Median Income for Single Mother Family**	Cost of Care as a Percentage of Median Single Mother Income	State Median Income for a Two-Parent Family**	Cost of Care as a Percentage of State Median Income for a Two-Parent Family
1	New York ^{^^}	\$14,508	\$25,887	56.0%	\$91,525	15.9%
2	Colorado	\$13,143	\$27,491	47.8%	\$85,961	15.3%
3	Oregon	\$11,078	\$21,472	51.6%	\$72,631	15.3%
4	Minnesota	\$13,993	\$26,060	53.7%	\$92,299	15.2%
5	Massachusetts	\$16,549	\$27,323	60.6%	\$111,368	14.9%
6	Washington	\$12,332	\$25,873	47.7%	\$85,038	14.5%
7	Illinois	\$12,568	\$24,109	52.1%	\$87,379	14.4%
8	Nevada ^{^^}	\$10,095	\$28,070	36.0%	\$70,397	14.3%
9	California [^]	\$11,628	\$26,757	43.5%	\$81,702	14.2%
10	Kansas	\$10,787	\$22,900	47.1%	\$78,166	13.8%
11	Wisconsin	\$11,342	\$23,976	47.3%	\$82,605	13.7%
12	Hawaii	\$11,748	\$28,110	41.8%	\$86,875	13.5%
13	District of Columbia	\$21,948	\$26,310	83.4%	\$162,947	13.5%
14	Rhode Island	\$12,662	\$25,929	48.8%	\$94,393	13.4%
15	Arizona	\$9,166	\$25,560	35.9%	\$70,603	13.0%
16	Vermont [^]	\$10,103	\$23,950	42.2%	\$80,663	12.5%
17	Montana	\$8,858	\$20,974	42.2%	\$71,407	12.4%
18	North Carolina	\$9,107	\$21,550	42.3%	\$73,953	12.3%
19	Michigan	\$9,724	\$20,426	47.6%	\$79,093	12.3%
20	Maine	\$9,360	\$22,568	41.5%	\$76,245	12.3%
21	Maryland	\$13,897	\$35,858	38.8%	\$113,269	12.3%
22	Pennsylvania [^]	\$10,470	\$23,701	44.2%	\$86,067	12.2%
23	Connecticut	\$13,241	\$30,565	43.3%	\$109,706	12.1%
24	New Hampshire ^{^^}	\$11,901	\$28,372	41.9%	\$98,310	12.1%
25	Florida	\$8,376	\$24,665	34.0%	\$71,723	11.7%
26	Wyoming [^]	\$9,233	\$23,191	39.8%	\$78,860	11.7%
27	Texas [^]	\$8,619	\$23,563	36.6%	\$73,718	11.7%

Rank	State	Average Annual Cost of Infant Care*	State Median Income for Single Mother Family**	Cost of Care as a Percentage of Median Single Mother Income	State Median Income for a Two-Parent Family**	Cost of Care as a Percentage of State Median Income for a Two-Parent Family
28	Nebraska	\$9,100	\$24,118	37.7%	\$78,583	11.6%
29	Iowa^	\$9,185	\$24,930	36.8%	\$79,095	11.6%
30	Missouri^	\$8,736	\$22,251	39.3%	\$76,291	11.5%
31	Oklahoma	\$7,741	\$20,793	37.2%	\$68,098	11.4%
32	New Mexico	\$7,523	\$21,253	35.4%	\$66,203	11.4%
33	Utah	\$8,052	\$25,699	31.3%	\$71,468	11.3%
34	West Virginia	\$7,800	\$17,480	44.6%	\$69,481	11.2%
35	Indiana	\$8,281	\$21,805	38.0%	\$75,141	11.0%
36	Alaska	\$10,280	\$30,437	33.8%	\$94,349	10.9%
37	Virginia	\$10,028	\$28,143	35.6%	\$96,274	10.4%
38	New Jersey	\$11,534	\$29,919	38.6%	\$110,899	10.4%
39	Idaho^	\$6,483	\$20,736	31.3%	\$63,464	10.2%
40	Delaware^	\$9,058	\$29,889	30.3%	\$91,853	9.9%
41	Ohio	\$7,771	\$20,795	37.4%	\$80,069	9.7%
42	North Dakota	\$7,871	\$22,230	35.4%	\$84,644	9.3%
43	Georgia	\$7,025	\$22,167	31.7%	\$75,789	9.3%
44	Arkansas	\$5,933	\$18,615	31.9%	\$64,688	9.2%
45	South Carolina^	\$6,372	\$20,028	31.8%	\$73,234	8.7%
46	Kentucky^	\$6,194	\$18,426	33.6%	\$72,183	8.6%
47	Tennessee	\$5,857	\$20,000	29.3%	\$70,339	8.3%
48	Mississippi	\$5,496	\$18,336	30.0%	\$67,143	8.2%
49	Alabama^	\$5,547	\$18,286	30.3%	\$73,054	7.6%
50	South Dakota^	\$5,571	\$23,392	23.8%	\$76,984	7.2%
51	Louisiana^	\$5,655	\$19,210	29.4%	\$81,605	6.9%

*Source: NACCRRA's January 2014 survey of Child Care Resource and Referral State Networks. Some states used the latest state market rate survey.

**Source: U.S. Census Bureau, American Community Survey, 2010-2012 three-year estimates. Table B19026.

NR: Data was not reported or not available for some categories of care.

NA: Not available. Percentage not calculated and rank not assigned because cost data was not reported.

^ 2012 Data, adjusted for inflation.

^^ 2011 Data, adjusted for inflation.

Appendix III: 2013 Ranking of Least-Affordable Child Care for Center-Based Care for Four-Year-Old Child

(1 = Least Affordable, 51 = Most Affordable)

Rank is based on cost of child care as percentage of state median income for two-parent family.

Rank	State	Average Annual Cost of Care for 4-Year-Old Child*	State Median Income for Single Mother Family**	Cost of Care as a Percentage of Median Single Mother Income	State Median Income for a Two-Parent Family**	Cost of Care as a Percentage of State Median Income for a Two-Parent Family
1	New York ^{^^}	\$12,280	\$25,887	47.4%	\$91,525	13.4%
2	Vermont [^]	\$10,068	\$23,950	42.0%	\$80,663	12.5%
3	Oregon	\$8,615	\$21,472	40.1%	\$72,631	11.9%
4	Nevada ^{^^}	\$8,208	\$28,070	29.2%	\$70,397	11.7%
5	Minnesota	\$10,812	\$26,060	41.5%	\$92,299	11.7%
6	Colorado	\$9,871	\$27,491	35.9%	\$85,961	11.5%
7	Wisconsin	\$9,302	\$23,976	38.8%	\$82,605	11.3%
8	Massachusetts	\$12,320	\$27,323	45.1%	\$111,368	11.1%
9	Rhode Island	\$10,400	\$25,929	40.1%	\$94,393	11.0%
10	Maine	\$8,320	\$22,568	36.9%	\$76,245	10.9%
11	Montana	\$7,805	\$20,974	37.2%	\$71,407	10.9%
12	Washington	\$9,306	\$25,873	36.0%	\$85,038	10.9%
13	Illinois	\$9,300	\$24,109	38.6%	\$87,379	10.6%
14	District of Columbia	\$17,304	\$26,310	65.8%	\$162,947	10.6%
15	New Mexico	\$6,868	\$21,253	32.3%	\$66,203	10.4%
16	Arizona	\$7,334	\$25,560	28.7%	\$70,603	10.4%
17	North Carolina	\$7,471	\$21,550	34.7%	\$73,953	10.1%
18	Idaho [^]	\$6,380	\$20,736	30.8%	\$63,464	10.1%
19	Hawaii	\$8,817	\$28,110	31.4%	\$86,875	10.1%
20	Pennsylvania [^]	\$8,727	\$23,701	36.8%	\$86,067	10.1%
21	Michigan	\$7,956	\$20,426	39.0%	\$79,093	10.1%
22	Wyoming [^]	\$7,914	\$23,191	34.1%	\$78,860	10.0%
23	Connecticut	\$11,006	\$30,565	36.0%	\$109,706	10.0%
24	Iowa [^]	\$7,904	\$24,930	31.7%	\$79,095	10.0%
25	Nebraska	\$7,800	\$24,118	32.3%	\$78,583	9.9%
26	California [^]	\$8,099	\$26,757	30.3%	\$81,702	9.9%
27	New Hampshire ^{^^}	\$9,623	\$28,372	33.9%	\$98,310	9.8%

Rank	State	Average Annual Cost of Care for 4-Year-Old Child*	State Median Income for Single Mother Family**	Cost of Care as a Percentage of Median Single Mother Income	State Median Income for a Two-Parent Family**	Cost of Care as a Percentage of State Median Income for a Two-Parent Family
28	West Virginia	\$6,760	\$17,480	38.7%	\$69,481	9.7%
29	Kansas	\$7,615	\$22,900	33.3%	\$78,166	9.7%
30	Florida	\$6,647	\$24,665	26.9%	\$71,723	9.3%
31	Texas^	\$6,643	\$23,563	28.2%	\$73,718	9.0%
32	Alaska	\$8,283	\$30,437	27.2%	\$94,349	8.8%
33	New Jersey	\$9,546	\$29,919	31.9%	\$110,899	8.6%
34	Indiana	\$6,448	\$21,805	29.6%	\$75,141	8.6%
35	Utah	\$6,108	\$25,699	23.8%	\$71,468	8.5%
36	Oklahoma	\$5,761	\$20,793	27.7%	\$68,098	8.5%
37	Maryland	\$9,490	\$35,858	26.5%	\$113,269	8.4%
38	North Dakota	\$7,147	\$22,230	32.2%	\$84,644	8.4%
39	Kentucky^	\$5,971	\$18,426	32.4%	\$72,183	8.3%
40	Ohio	\$6,487	\$20,795	31.2%	\$80,069	8.1%
41	Virginia	\$7,696	\$28,143	27.3%	\$96,274	8.0%
42	Missouri^	\$6,074	\$22,251	27.3%	\$76,291	8.0%
43	Alabama^	\$5,869	\$18,286	32.1%	\$73,054	8.0%
44	Delaware^	\$7,208	\$29,889	24.1%	\$91,853	7.8%
45	Georgia	\$5,947	\$22,167	26.8%	\$75,789	7.8%
46	Arkansas	\$4,944	\$18,615	26.6%	\$64,688	7.6%
47	South Carolina^	\$5,385	\$20,028	26.9%	\$73,234	7.4%
48	Mississippi	\$4,800	\$18,336	26.2%	\$67,143	7.1%
49	South Dakota^	\$5,319	\$23,392	22.7%	\$76,984	6.9%
50	Tennessee	\$4,515	\$20,000	22.6%	\$70,339	6.4%
51	Louisiana^	\$4,882	\$19,210	25.4%	\$81,605	6.0%

*Source: NACCRRA's January 2014 survey of Child Care Resource and Referral State Networks. Some states used the latest state market rate survey.

**Source: U.S. Census Bureau, American Community Survey, 2010-2012 three-year estimates. Table B19026.

NR: Data was not reported or not available for some categories of care.

NA: Not available. Percentage not calculated and rank not assigned because cost data was not reported.

^ 2012 Data, adjusted for inflation.

^^ 2011 Data, adjusted for inflation.

Appendix IV: 2013 Ranking of Least-Affordable Child Care for Center-Based School-Aged Child Care

(1 = Least Affordable, 51 = Most Affordable)

Rank is based on cost of child care as percentage of state median income for two-parent family.

Rank	State	Average Annual Cost of School-Aged Care*	State Median Income for Single Mother Family**	Cost of Care as a Percentage of Median Single Mother Income	State Median Income for a Two-Parent Family**	Cost of Care as a Percentage of State Median Income for a Two-Parent Family
1	New York ^{^^}	\$11,352	\$25,887	43.9%	\$91,525	12.4%
2	Montana	\$7,659	\$20,974	36.5%	\$71,407	10.7%
3	Wisconsin	\$8,683	\$23,976	36.2%	\$82,605	10.5%
4	Hawaii	\$8,936	\$28,110	31.8%	\$86,875	10.3%
5	Wyoming [^]	\$7,914	\$23,191	34.1%	\$78,860	10.0%
6	West Virginia	\$6,500	\$17,480	37.2%	\$69,481	9.4%
7	Arkansas	\$5,856	\$18,615	31.5%	\$64,688	9.1%
8	Arizona	\$6,223	\$25,560	24.3%	\$70,603	8.8%
9	District of Columbia	\$13,211	\$26,310	50.2%	\$162,947	8.1%
10	Kentucky [^]	\$5,468	\$18,426	29.7%	\$72,183	7.6%
11	Alabama [^]	\$5,223	\$18,286	28.6%	\$73,054	7.1%
12	Delaware [^]	\$6,541	\$29,889	21.9%	\$91,853	7.1%
13	Kansas	\$5,429	\$22,900	23.7%	\$78,166	6.9%
14	Nevada ^{^^}	\$4,882	\$28,070	17.4%	\$70,397	6.9%
15	Illinois	\$5,912	\$24,109	24.5%	\$87,379	6.8%
16	Indiana	\$5,051	\$21,805	23.2%	\$75,141	6.7%
17	Vermont [^]	\$5,409	\$23,950	22.6%	\$80,663	6.7%
18	Pennsylvania [^]	\$5,601	\$23,701	23.6%	\$86,067	6.5%
19	Idaho [^]	\$4,042	\$20,736	19.5%	\$63,464	6.4%
20	Alaska	\$5,923	\$30,437	19.5%	\$94,349	6.3%
21	Nebraska	\$4,875	\$24,118	20.2%	\$78,583	6.2%
22	Mississippi	\$3,840	\$18,336	20.9%	\$67,143	5.7%
23	Colorado	\$4,920	\$27,491	17.9%	\$85,961	5.7%
24	Maine	\$4,368	\$22,568	19.4%	\$76,245	5.7%
25	Rhode Island	\$5,323	\$25,929	20.5%	\$94,393	5.6%
26	Iowa [^]	\$4,388	\$24,930	17.6%	\$79,095	5.5%
27	Oregon	\$3,888	\$21,472	18.1%	\$72,631	5.4%
28	Florida	\$3,791	\$24,665	15.4%	\$71,723	5.3%

Rank	State	Average Annual Cost of School-Aged Care*	State Median Income for Single Mother Family**	Cost of Care as a Percentage of Median Single Mother Income	State Median Income for a Two-Parent Family**	Cost of Care as a Percentage of State Median Income for a Two-Parent Family
29	Michigan	\$4,140	\$20,426	20.3%	\$79,093	5.2%
30	Oklahoma	\$3,546	\$20,793	17.1%	\$68,098	5.2%
31	North Carolina	\$3,740	\$21,550	17.4%	\$73,953	5.1%
32	Virginia	\$4,953	\$28,143	17.6%	\$96,274	5.1%
33	South Dakota	\$3,941	\$23,392	16.8%	\$76,984	5.1%
34	Washington	\$4,317	\$25,873	16.7%	\$85,038	5.1%
35	New Mexico	\$3,366	\$21,253	15.8%	\$66,203	5.1%
36	Ohio	\$4,027	\$20,795	19.4%	\$80,069	5.0%
37	Connecticut	\$5,472	\$30,565	17.9%	\$109,706	5.0%
38	New Hampshire ^{^^}	\$4,577	\$28,372	16.1%	\$98,310	4.7%
39	Georgia	\$3,585	\$22,167	16.2%	\$75,789	4.7%
40	Missouri [^]	\$3,508	\$22,251	15.8%	\$76,291	4.6%
41	Utah	\$3,285	\$25,699	12.8%	\$71,468	4.6%
42	Texas [^]	\$3,165	\$23,563	13.4%	\$73,718	4.3%
43	Maryland	\$4,109	\$35,858	11.5%	\$113,269	3.6%
44	Tennessee	\$2,451	\$20,000	12.3%	\$70,339	3.5%
45	Massachusetts	\$3,414	\$27,323	12.5%	\$111,368	3.1%
46	New Jersey	\$3,475	\$29,919	11.6%	\$110,899	3.1%
47	California [^]	\$2,493	\$26,757	9.3%	\$81,702	3.1%
48	South Carolina [^]	\$2,221	\$20,028	11.1%	\$73,234	3.0%
49	Louisiana [^]	\$1,086	\$19,210	5.7%	\$81,605	1.3%
N/A	Minnesota	NR	\$26,060	NA	\$92,299	NA
N/A	North Dakota	NR	\$22,230	NA	\$84,644	NA

*Source: NACCRRA's January 2014 survey of Child Care Resource and Referral State Networks. Some states used the latest state market rate survey.

**Source: U.S. Census Bureau, American Community Survey, 2010-2012 three-year estimates. Table B19026.

NR: Data was not reported or not available for some categories of care.

NA: Not available. Percentage not calculated and rank not assigned because cost data was not reported.

[^] 2012 Data, adjusted for inflation.

^{^^} 2011 Data, adjusted for inflation.

Appendix V: 2013 Average Child Care Center Costs and Median Housing Costs by State

State	Average Annual Child Care Center Costs				Annual Rental Costs Compared with Two Children in Care		Annual Mortgage Costs Compared with Two Children in Care	
	Infant	4-Year-Old	School-Age	Two Children***	Annualized Rent Payments**	Percentage Difference Between Cost of Two Children in Care and Rent Payments	Annualized Mortgage Payments**	Percentage Difference Between Cost of Two Children in Care and Mortgage Payments
Alabama^	\$5,547	\$5,869	\$5,223	\$11,416	\$8,376	36.3%	\$13,812	-17.3%
Alaska	\$10,280	\$8,283	\$5,923	\$18,563	\$12,960	43.2%	\$22,032	-15.7%
Arizona	\$9,166	\$7,334	\$6,223	\$16,500	\$10,536	56.6%	\$16,944	-2.6%
Arkansas	\$5,933	\$4,944	\$5,856	\$10,877	\$7,836	38.8%	\$12,108	-10.2%
California^	\$11,628	\$8,099	\$2,493	\$19,727	\$14,460	36.4%	\$26,808	-26.4%
Colorado	\$13,143	\$9,871	\$4,920	\$23,014	\$11,040	108.5%	\$19,272	19.4%
Connecticut	\$13,241	\$11,006	\$5,472	\$24,247	\$12,432	95.0%	\$25,260	-4.0%
Delaware^	\$9,058	\$7,208	\$6,541	\$16,266	\$11,760	38.3%	\$19,044	-14.6%
District of Columbia	\$21,948	\$17,304	\$13,211	\$39,252	\$14,832	164.6%	\$27,612	42.2%
Florida	\$8,376	\$6,647	\$3,791	\$15,023	\$11,652	28.9%	\$18,012	-16.6%
Georgia	\$7,025	\$5,947	\$3,585	\$12,972	\$10,188	27.3%	\$16,788	-22.7%
Hawaii	\$11,748	\$8,817	\$8,936	\$20,565	\$16,236	26.7%	\$27,444	-25.1%
Idaho^	\$6,483	\$6,380	\$4,042	\$12,863	\$8,520	51.0%	\$14,628	-12.1%
Illinois	\$12,568	\$9,300	\$5,912	\$21,868	\$10,524	107.8%	\$20,172	8.4%
Indiana	\$8,281	\$6,448	\$5,051	\$14,729	\$8,604	71.2%	\$13,332	10.5%
Iowa^	\$9,185	\$7,904	\$4,388	\$17,089	\$7,920	115.8%	\$14,016	21.9%
Kansas	\$10,787	\$7,615	\$5,429	\$18,402	\$8,616	113.6%	\$15,324	20.1%
Kentucky^	\$6,194	\$5,971	\$5,468	\$12,165	\$7,680	58.4%	\$13,284	-8.4%
Louisiana^	\$5,655	\$4,882	\$1,086	\$10,537	\$9,120	15.5%	\$14,244	-26.0%
Maine	\$9,360	\$8,320	\$4,368	\$17,680	\$8,976	97.0%	\$15,996	10.5%
Maryland	\$13,897	\$9,490	\$4,109	\$23,387	\$14,124	65.6%	\$24,132	-3.1%
Massachusetts	\$16,549	\$12,320	\$3,414	\$28,869	\$12,600	129.1%	\$24,996	15.5%
Michigan	\$9,724	\$7,956	\$4,140	\$17,680	\$9,060	95.1%	\$15,600	13.3%
Minnesota	\$13,993	\$10,812	NR	\$24,805	\$9,648	157.1%	\$18,276	35.7%
Mississippi	\$5,496	\$4,800	\$3,840	\$10,296	\$8,304	24.0%	\$12,852	-19.9%
Missouri^	\$8,736	\$6,074	\$3,508	\$14,810	\$8,568	72.9%	\$14,568	1.7%
Montana	\$8,858	\$7,805	\$7,659	\$16,663	\$8,064	106.6%	\$15,192	9.7%
Nebraska	\$9,100	\$7,800	\$4,875	\$16,900	\$8,328	102.9%	\$15,132	11.7%
Nevada^^	\$10,095	\$8,208	\$4,882	\$18,303	\$11,592	57.9%	\$18,864	-3.0%

State	Average Annual Child Care Center Costs				Annual Rental Costs Compared with Two Children in Care		Annual Mortgage Costs Compared with Two Children in Care	
	Infant	4-Year-Old	School-Age	Two Children***	Annualized Rent Payments**	Percentage Difference Between Cost of Two Children in Care and Rent Payments	Annualized Mortgage Payments**	Percentage Difference Between Cost of Two Children in Care and Mortgage Payments
New Hampshire ^{^^}	\$11,901	\$9,623	\$4,577	\$21,524	\$11,628	85.1%	\$22,860	-5.8%
New Jersey	\$11,534	\$9,546	\$3,475	\$21,080	\$13,872	52.0%	\$29,124	-27.6%
New Mexico	\$7,523	\$6,868	\$3,366	\$14,391	\$8,928	61.2%	\$14,748	-2.4%
New York ^{^^}	\$14,508	\$12,280	\$11,352	\$26,788	\$12,912	107.5%	\$24,180	10.8%
North Carolina	\$9,107	\$7,471	\$3,740	\$16,578	\$9,132	81.5%	\$15,204	9.0%
North Dakota	\$7,871	\$7,147	NR	\$15,018	\$7,584	98.0%	\$14,328	4.8%
Ohio	\$7,771	\$6,487	\$4,027	\$14,258	\$8,496	67.8%	\$15,204	-6.2%
Oklahoma	\$7,741	\$5,761	\$3,546	\$13,502	\$8,280	63.1%	\$13,536	-0.3%
Oregon	\$11,078	\$8,615	\$3,888	\$19,693	\$10,260	91.9%	\$19,128	3.0%
Pennsylvania [^]	\$10,470	\$8,727	\$5,601	\$19,197	\$9,600	100.0%	\$17,136	12.0%
Rhode Island	\$12,662	\$10,400	\$5,323	\$23,062	\$10,692	115.7%	\$22,404	2.9%
South Carolina [^]	\$6,372	\$5,385	\$2,221	\$11,757	\$9,096	29.3%	\$14,340	-18.0%
South Dakota [^]	\$5,571	\$5,319	\$3,941	\$10,890	\$7,548	44.3%	\$14,280	-23.7%
Tennessee	\$5,857	\$4,515	\$2,451	\$10,372	\$8,772	18.2%	\$14,232	-27.1%
Texas [^]	\$8,619	\$6,643	\$3,165	\$15,262	\$10,008	52.5%	\$17,088	-10.7%
Utah	\$8,052	\$6,108	\$3,285	\$14,160	\$10,092	40.3%	\$17,388	-18.6%
Vermont [^]	\$10,103	\$10,068	\$5,409	\$20,171	\$10,308	95.7%	\$18,156	11.1%
Virginia	\$10,028	\$7,696	\$4,953	\$17,724	\$12,900	37.4%	\$20,904	-15.2%
Washington	\$12,332	\$9,306	\$4,317	\$21,638	\$11,436	89.2%	\$21,216	2.0%
West Virginia	\$7,800	\$6,760	\$6,500	\$14,560	\$7,272	100.2%	\$11,448	27.2%
Wisconsin	\$11,342	\$9,302	\$8,683	\$20,644	\$8,964	130.3%	\$17,136	20.5%
Wyoming [^]	\$9,233	\$7,914	\$7,914	\$17,147	\$8,892	92.8%	\$15,924	7.7%

*Source: NACCRRA's January 2014 survey of Child Care Resource and Referral State Networks. Some states used the latest state market rate survey.

**Source: U.S. Census Bureau, American Community Survey, 2010-2012 three-year estimates. Table B19026.

*** Infant and a 4-year-old

NR: Data was not reported or not available for some categories of care

[^] 2012 Data, adjusted for inflation

^{^^} 2011 Data, adjusted for inflation

Appendix VI: Average Annual Cost of Full-Time Child Care in a Center and Public College Tuition and Fees by State

State	Average Annual Child Care Center Costs*			Average Tuition and Fees at a Public College**	Percentage Difference Between Cost of College and Cost for Infant Center-Based Care
	Infant	4-Year-Old	School-Age		
Alabama^	\$5,547	\$5,869	\$5,223	\$9,143	-39.3%
Alaska	\$10,280	\$8,283	\$5,923	\$5,885	74.7%
Arizona	\$9,166	\$7,334	\$6,223	\$10,065	-8.9%
Arkansas	\$5,933	\$4,944	\$5,856	\$7,238	-18.0%
California^	\$11,628	\$8,099	\$2,493	\$9,037	28.7%
Colorado	\$13,143	\$9,871	\$4,920	\$9,096	44.5%
Connecticut	\$13,241	\$11,006	\$5,472	\$10,206	29.7%
Delaware^	\$9,058	\$7,208	\$6,541	\$11,261	-19.6%
District of Columbia	\$21,948	\$17,304	13211	\$7,268	202.0%
Florida	\$8,376	\$6,647	\$3,791	\$6,336	32.2%
Georgia	\$7,025	\$5,947	\$3,585	\$7,823	-10.2%
Hawaii	\$11,748	\$8,817	\$8,936	\$9,097	29.1%
Idaho^	\$6,483	\$6,380	\$4,042	\$6,325	2.5%
Illinois	\$12,568	\$9,300	\$5,912	\$12,550	0.1%
Indiana	\$8,281	\$6,448	\$5,051	\$8,916	-7.1%
Iowa^	\$9,185	\$7,904	\$4,388	\$7,841	17.1%
Kansas	\$10,787	\$7,615	\$5,429	\$7,729	39.6%
Kentucky^	\$6,194	\$5,971	\$5,468	\$8,692	-28.7%
Louisiana^	\$5,655	\$4,882	\$1,086	\$6,546	-13.6%
Maine	\$9,360	\$8,320	\$4,368	\$9,391	-0.3%
Maryland	\$13,897	\$9,490	\$4,109	\$8,475	64.0%
Massachusetts	\$16,549	\$12,320	\$3,414	\$10,792	53.3%
Michigan	\$9,724	\$7,956	\$4,140	\$11,600	-16.2%
Minnesota	\$13,993	\$10,812	NR	\$10,468	33.7%
Mississippi	\$5,496	\$4,800	\$3,840	\$6,558	-16.2%
Missouri^	\$8,736	\$6,074	\$3,508	\$8,093	7.9%
Montana	\$8,858	\$7,805	\$7,659	\$6,211	42.6%
Nebraska	\$9,100	\$7,800	\$4,875	\$7,315	24.4%
Nevada^^	\$10,095	\$8,208	\$4,882	\$6,387	58.1%
New Hampshire^^	\$11,901	\$9,623	\$4,577	\$14,665	-18.8%
New Jersey	\$11,534	\$9,546	\$3,475	\$12,715	-9.3%
New Mexico	\$7,523	\$6,868	\$3,366	\$5,987	25.7%
New York^^	\$14,508	\$12,280	\$11,352	\$6,919	109.7%
North Carolina	\$9,107	\$7,471	3740	\$6,514	39.8%

State	Average Annual Child Care Center Costs*			Average Tuition and Fees at a Public College**	Percentage Difference Between Cost of College and Cost for Infant Center-Based Care
	Infant	4-Year-Old	School-Age		
North Dakota	\$7,871	\$7,147	NR	\$7,265	8.3%
Ohio	\$7,771	\$6,487	\$4,027	\$9,906	-21.6%
Oklahoma	\$7,741	\$5,761	\$3,546	\$6,583	17.6%
Oregon	\$11,078	\$8,615	\$3,888	\$8,605	28.7%
Pennsylvania^	\$10,470	\$8,727	\$5,601	\$12,802	-18.2%
Rhode Island	\$12,662	\$10,400	\$5,323	\$10,992	15.2%
South Carolina^	\$6,372	\$5,385	\$2,221	\$11,138	-42.8%
South Dakota^	\$5,571	\$5,319	\$3,941	\$7,717	-27.8%
Tennessee	\$5,857	\$4,515	\$2,451	\$8,036	-27.1%
Texas^	\$8,619	\$6,643	\$3,165	\$8,522	1.1%
Utah	\$8,052	\$6,108	\$3,285	\$5,906	36.3%
Vermont^	\$10,103	\$10,068	\$5,409	\$13,958	-27.6%
Virginia	\$10,028	\$7,696	\$4,953	\$10,366	-3.3%
Washington	\$12,332	\$9,306	\$4,317	\$10,811	14.1%
West Virginia	\$7,800	\$6,760	\$6,500	\$6,251	24.8%
Wisconsin	\$11,342	\$9,302	\$8,683	\$8,736	29.8%
Wyoming^	\$9,233	\$7,914	\$7,914	\$4,404	109.7%

*Source: NACCRRA's January 2014 survey of Child Care Resource and Referral State Networks. Some states used the latest state market rate survey.

**Source: Average price of 2013-2014 in-state tuition and fees for public four-year colleges by state, from the College Board Annual Survey of Colleges, Trends in College Pricing 2013

(<http://trends.collegeboard.org/sites/default/files/college-pricing-2013-full-report.pdf>).

NR: Data was not reported or not available for some categories of care

^ 2012 Data, adjusted for inflation

^^ 2011 Data, adjusted for inflation

Appendix VII: 2013 Ranking of Affordability of Center Care for Single Mothers

Rank	State	State Median Income for Single Mother Family*	Infant Care		4-Year-Old Care		School-Age Care		Two Children in Care***	
			Average Annual Cost**	Cost of Care as a Percentage of Income	Average Annual Cost**	Cost of Care as a Percentage of Median Income	Average Annual Cost**	Cost of Care as a Percentage of Median Income	Average Annual Cost**	Cost of Care as a Percentage of Median Income
1	District of Columbia	\$26,310	\$21,948	83.4%	\$17,304	65.8%	\$13,211	50.2%	\$39,252	149.2%
2	Massachusetts	\$27,323	\$16,549	60.6%	\$12,320	45.1%	\$3,414	12.5%	\$28,869	105.7%
3	New York	\$25,887	\$14,508	56.0%	\$12,280	47.4%	\$11,352	43.9%	\$26,788	103.5%
4	Minnesota	\$26,060	\$13,993	53.7%	\$10,812	41.5%	NR	NA	\$24,805	95.2%
5	Oregon	\$21,472	\$11,078	51.6%	\$8,615	40.1%	\$3,888	18.1%	\$19,693	91.7%
6	Illinois	\$24,109	\$12,568	52.1%	\$9,300	38.6%	\$5,912	24.5%	\$21,868	90.7%
7	Rhode Island	\$25,929	\$12,662	48.8%	\$10,400	40.1%	\$5,323	20.5%	\$23,062	88.9%
8	Michigan	\$20,426	\$9,724	47.6%	\$7,956	39.0%	\$4,140	20.3%	\$17,680	86.6%
9	Wisconsin	\$23,976	\$11,342	47.3%	\$9,302	38.8%	\$8,683	36.2%	\$20,644	86.1%
10	Vermont	\$23,950	\$10,103	42.2%	\$10,068	42.0%	\$5,409	22.6%	\$20,171	84.2%
11	Colorado	\$27,491	\$13,143	47.8%	\$9,871	35.9%	\$4,920	17.9%	\$23,014	83.7%
12	Washington	\$25,873	\$12,332	47.7%	\$9,306	36.0%	\$4,317	16.7%	\$21,638	83.6%
13	West Virginia	\$17,480	\$7,800	44.6%	\$6,760	38.7%	\$6,500	37.2%	\$14,560	83.3%
14	Pennsylvania	\$23,701	\$10,470	44.2%	\$8,727	36.8%	\$5,601	23.6%	\$19,196	81.0%
15	Kansas	\$22,900	\$10,787	47.1%	\$7,615	33.3%	\$5,429	23.7%	\$18,402	80.4%
16	Montana	\$20,974	\$8,858	42.2%	\$7,805	37.2%	\$7,659	36.5%	\$16,663	79.4%
17	Connecticut	\$30,565	\$13,241	43.3%	\$11,006	36.0%	\$5,472	17.9%	\$24,247	79.3%
18	Maine	\$22,568	\$9,360	41.5%	\$8,320	36.9%	\$4,368	19.4%	\$17,680	78.3%
19	North Carolina	\$21,550	\$9,107	42.3%	\$7,471	34.7%	\$3,740	17.4%	\$16,578	76.9%
20	New Hampshire	\$28,372	\$11,901	41.9%	\$9,623	33.9%	\$4,577	16.1%	\$21,524	75.9%
21	Wyoming	\$23,191	\$9,233	39.8%	\$7,914	34.1%	\$7,914	34.1%	\$17,147	73.9%
22	California	\$26,757	\$11,628	43.5%	\$8,099	30.3%	\$2,493	9.3%	\$19,727	73.7%
23	Hawaii	\$28,110	\$11,748	41.8%	\$8,817	31.4%	\$8,936	31.8%	\$20,565	73.2%
24	New Jersey	\$29,919	\$11,534	38.6%	\$9,546	31.9%	\$3,475	11.6%	\$21,080	70.5%
25	Nebraska	\$24,118	\$9,100	37.7%	\$7,800	32.3%	\$4,875	20.2%	\$16,900	70.1%
26	Ohio	\$20,795	\$7,771	37.4%	\$6,487	31.2%	\$4,027	19.4%	\$14,258	68.6%
27	Iowa	\$24,930	\$9,185	36.8%	\$7,904	31.7%	\$4,388	17.6%	\$17,089	68.5%
28	New Mexico	\$21,253	\$7,523	35.4%	\$6,868	32.3%	\$3,366	15.8%	\$14,391	67.7%
29	North Dakota	\$22,230	\$7,871	35.4%	\$7,147	32.2%	NR	NA	\$15,018	67.6%
30	Indiana	\$21,805	\$8,281	38.0%	\$6,448	29.6%	\$5,051	23.2%	\$14,729	67.5%
31	Missouri	\$22,251	\$8,736	39.3%	\$6,074	27.3%	\$3,508	15.8%	\$14,810	66.6%

Rank	State	State Median Income for Single Mother Family*	Infant Care		4-Year-Old Care		School-Age Care		Two Children in Care***	
			Average Annual Cost**	Cost of Care as a Percentage of Income	Average Annual Cost**	Cost of Care as a Percentage of Median Income	Average Annual Cost**	Cost of Care as a Percentage of Median Income	Average Annual Cost**	Cost of Care as a Percentage of Median Income
32	Kentucky	\$18,426	\$6,194	33.6%	\$5,971	32.4%	5468	29.7%	\$12,165	66.0%
33	Maryland	\$35,858	\$13,897	38.8%	\$9,490	26.5%	\$4,109	11.5%	\$23,387	65.2%
34	Nevada	\$28,070	\$10,095	36.0%	\$8,208	29.2%	\$4,882	17.4%	\$18,303	65.2%
35	Oklahoma	\$20,793	\$7,741	37.2%	\$5,761	27.7%	\$3,546	17.1%	\$13,502	64.9%
36	Texas	\$23,563	\$8,619	36.6%	\$6,643	28.2%	\$3,165	13.4%	\$15,262	64.8%
37	Arizona	\$25,560	\$9,166	35.9%	\$7,334	28.7%	\$6,223	24.3%	\$16,500	64.6%
38	Virginia	\$28,143	\$10,028	35.6%	\$7,696	27.3%	\$4,953	17.6%	\$17,724	63.0%
39	Alabama	\$18,286	\$5,547	30.3%	\$5,869	32.1%	\$5,223	28.6%	\$11,416	62.4%
40	Idaho	\$20,736	\$6,483	31.3%	\$6,380	30.8%	\$4,042	19.5%	\$12,863	62.0%
41	Alaska	\$30,437	\$10,280	33.8%	\$8,283	27.2%	\$5,923	19.5%	\$18,563	61.0%
42	Florida	\$24,665	\$8,376	34.0%	\$6,647	26.9%	\$3,791	15.4%	\$15,023	60.9%
43	South Carolina	\$20,028	\$6,372	31.8%	\$5,385	26.9%	\$2,221	11.1%	\$11,757	58.7%
44	Georgia	\$22,167	\$7,025	31.7%	\$5,947	26.8%	\$3,585	16.2%	\$12,972	58.5%
45	Arkansas	\$18,615	\$5,933	31.9%	\$4,944	26.6%	\$5,856	31.5%	\$10,877	58.4%
46	Mississippi	\$18,336	\$5,496	30.0%	\$4,800	26.2%	\$3,840	20.9%	\$10,296	56.2%
47	Utah	\$25,699	\$8,052	31.3%	\$6,108	23.8%	\$3,285	12.8%	\$14,160	55.1%
48	Louisiana	\$19,210	\$5,655	29.4%	\$4,882	25.4%	\$1,086	5.7%	\$10,538	54.9%
49	Delaware	\$29,889	\$9,058	30.3%	\$7,208	24.1%	\$6,541	21.9%	\$16,266	54.4%
50	Tennessee	\$20,000	\$5,857	29.3%	\$4,515	22.6%	\$2,451	12.3%	\$10,372	51.9%
51	South Dakota	\$23,392	\$5,571	23.8%	\$5,319	22.7%	\$3,941	16.8%	\$10,890	46.6%

*Source: U.S. Census Bureau, American Community Survey, 2010-2012 three-year estimates

** Source: NACCRRA's January 2014 survey of Child Care Resource and Referral State Networks and local CCR&Rs. Some states used the latest state market rate survey.

*** One infant and one 4-year-old child.

NR: Data was not reported or not available for some categories of care

^ 2012 Data, adjusted for inflation

^^ 2011 Data, adjusted for inflation

Appendix VIII: 2013 Average Costs for Center-Based Care for an Infant and Two Children Compared to Varying Poverty Levels

State	Average Annual Cost of Infant Care*	Cost of Care as a Percentage of Income			Average Annual Cost of Two Children in Care***	Cost of Care as a Percentage of Income		
		Poverty Level (\$19,790)**	150% of Poverty Level (\$29,685)	200% of Poverty Level (\$39,580)		Poverty Level (\$19,790)**	150% of Poverty Level (\$29,685)	200% of Poverty Level (\$39,580)
Alabama^	\$5,547	28.4%	18.9%	14.2%	\$11,416	58.5%	39.0%	29.2%
Alaska	\$10,280	42.1%	28.1%	21.1%	\$18,563	76.0%	50.7%	38.0%
Arizona	\$9,166	46.9%	31.3%	23.5%	\$16,500	84.5%	56.3%	42.2%
Arkansas	\$5,933	30.4%	20.3%	15.2%	\$10,877	55.7%	37.1%	27.8%
California^	\$11,628	59.5%	39.7%	29.8%	\$19,727	101.0%	67.3%	50.5%
Colorado	\$13,143	67.3%	44.9%	33.6%	\$23,014	117.8%	78.6%	58.9%
Connecticut	\$13,241	67.8%	45.2%	33.9%	\$24,247	124.2%	82.8%	62.1%
Delaware^	\$9,058	46.4%	30.9%	23.2%	\$16,266	83.3%	55.5%	41.6%
District of Columbia	\$21,948	112.4%	74.9%	56.2%	\$39,252	201.0%	134.0%	100.5%
Florida	\$8,376	42.9%	28.6%	21.4%	\$15,023	76.9%	51.3%	38.5%
Georgia	\$7,025	36.0%	24.0%	18.0%	\$12,972	66.4%	44.3%	33.2%
Hawaii	\$11,748	52.3%	34.9%	26.1%	\$20,565	91.5%	61.0%	45.8%
Idaho^	\$6,483	33.2%	22.1%	16.6%	\$12,863	65.9%	43.9%	32.9%
Illinois	\$12,568	64.4%	42.9%	32.2%	\$21,868	112.0%	74.6%	56.0%
Indiana	\$8,281	42.4%	28.3%	21.2%	\$14,729	75.4%	50.3%	37.7%
Iowa^	\$9,185	47.0%	31.4%	23.5%	\$17,089	87.5%	58.3%	43.8%
Kansas	\$10,787	55.2%	36.8%	27.6%	\$18,402	94.2%	62.8%	47.1%
Kentucky^	\$6,194	31.7%	21.1%	15.9%	\$12,165	62.3%	41.5%	31.1%
Louisiana^	\$5,655	29.0%	19.3%	14.5%	\$10,538	54.0%	36.0%	27.0%
Maine	\$9,360	47.9%	32.0%	24.0%	\$17,680	90.5%	60.4%	45.3%
Maryland	\$13,897	71.2%	47.4%	35.6%	\$23,387	119.7%	79.8%	59.9%
Massachusetts	\$16,549	84.7%	56.5%	42.4%	\$28,869	147.8%	98.5%	73.9%
Michigan	\$9,724	49.8%	33.2%	24.9%	\$17,680	90.5%	60.4%	45.3%
Minnesota	\$13,993	71.6%	47.8%	35.8%	\$24,805	127.0%	84.7%	63.5%
Mississippi	\$5,496	28.1%	18.8%	14.1%	\$10,296	52.7%	35.1%	26.4%
Missouri^	\$8,736	44.7%	29.8%	22.4%	\$14,810	75.8%	50.6%	37.9%
Montana	\$8,858	45.4%	30.2%	22.7%	\$16,663	85.3%	56.9%	42.7%
Nebraska	\$9,100	46.6%	31.1%	23.3%	\$16,900	86.5%	57.7%	43.3%
Nevada^^	\$10,095	51.7%	34.5%	25.8%	\$18,303	93.7%	62.5%	46.9%
New Hampshire^^	\$11,901	60.9%	40.6%	30.5%	\$21,524	110.2%	73.5%	55.1%
New Jersey	\$11,534	59.1%	39.4%	29.5%	\$21,080	107.9%	72.0%	54.0%
New Mexico	\$7,523	38.5%	25.7%	19.3%	\$14,391	73.7%	49.1%	36.8%
New York^^	\$14,508	74.3%	49.5%	37.1%	\$26,788	137.2%	91.4%	68.6%
North Carolina	\$9,107	46.6%	31.1%	23.3%	\$16,578	84.9%	56.6%	42.4%

State	Average Annual Cost of Infant Care*	Cost of Care as a Percentage of Income			Average Annual Cost of Two Children in Care***	Cost of Care as a Percentage of Income		
		Poverty Level (\$19,790)**	150% of Poverty Level (\$29,685)	200% of Poverty Level (\$39,580)		Poverty Level (\$19,790)**	150% of Poverty Level (\$29,685)	200% of Poverty Level (\$39,580)
North Dakota	\$7,871	40.3%	26.9%	20.2%	\$15,018	76.9%	51.3%	38.4%
Ohio	\$7,771	39.8%	26.5%	19.9%	\$14,258	73.0%	48.7%	36.5%
Oklahoma	\$7,741	39.6%	26.4%	19.8%	\$13,502	69.1%	46.1%	34.6%
Oregon	\$11,078	56.7%	37.8%	28.4%	\$19,693	100.8%	67.2%	50.4%
Pennsylvania^	\$10,470	53.6%	35.7%	26.8%	\$19,196	98.3%	65.5%	49.1%
Rhode Island	\$12,662	64.8%	43.2%	32.4%	\$23,062	118.1%	78.7%	59.0%
South Carolina^	\$6,372	32.6%	21.8%	16.3%	\$11,757	60.2%	40.1%	30.1%
South Dakota^	\$5,571	28.5%	19.0%	14.3%	\$10,890	55.8%	37.2%	27.9%
Tennessee	\$5,857	30.0%	20.0%	15.0%	\$10,372	53.1%	35.4%	26.6%
Texas^	\$8,619	44.1%	29.4%	22.1%	\$15,262	78.1%	52.1%	39.1%
Utah	\$8,052	41.2%	27.5%	20.6%	\$14,160	72.5%	48.3%	36.3%
Vermont^	\$10,103	51.7%	34.5%	25.9%	\$20,171	103.3%	68.9%	51.6%
Virginia	\$10,028	51.3%	34.2%	25.7%	\$17,724	90.8%	60.5%	45.4%
Washington	\$12,332	63.1%	42.1%	31.6%	\$21,638	110.8%	73.9%	55.4%
West Virginia	\$7,800	39.9%	26.6%	20.0%	\$14,560	74.6%	49.7%	37.3%
Wisconsin	\$11,342	58.1%	38.7%	29.0%	\$20,644	105.7%	70.5%	52.9%
Wyoming^	\$9,233	47.3%	31.5%	23.6%	\$17,147	87.8%	58.5%	43.9%

* Source: NACCRRA's January 2014 survey of Child Care Resource and Referral State Networks and local CCR&Rs. Some states used the latest state market rate survey.

**Source: 2013/2014 U.S. Department of Health and Human Services, Poverty Guidelines; Poverty for a family of three in 48 states is \$19,790. In Alaska it is \$24,740, and in Hawaii it is \$22,760.

*** Infant and a 4-year-old

^ 2012 Data, adjusted for inflation

^^ 2011 Data, adjusted for inflation

Appendix IX: 2013 Average Costs for Center-Based Care for a Four-Year-Old Compared to Varying Poverty Levels

State	Average Annual Cost of Care for a 4-Year-Old-Child*	Cost of Care as a Percentage of Income		
		Poverty Level (\$18,530)**	150% of Poverty Level (\$27,795)	200% of Poverty Level (\$37,060)
Alabama^	\$5,869	30.1%	20.0%	15.0%
Alaska	\$8,283	33.9%	22.6%	17.0%
Arizona	\$7,334	37.6%	25.0%	18.8%
Arkansas	\$4,944	25.3%	16.9%	12.7%
California^	\$8,099	41.5%	27.6%	20.7%
Colorado	\$9,871	50.5%	33.7%	25.3%
Connecticut	\$11,006	56.4%	37.6%	28.2%
Delaware^	\$7,208	36.9%	24.6%	18.5%
District of Columbia	\$17,304	88.6%	59.1%	44.3%
Florida	\$6,647	34.0%	22.7%	17.0%
Georgia	\$5,947	30.5%	20.3%	15.2%
Hawaii	\$8,817	39.2%	26.2%	19.6%
Idaho^	\$6,380	32.7%	21.8%	16.3%
Illinois	\$9,300	47.6%	31.7%	23.8%
Indiana	\$6,448	33.0%	22.0%	16.5%
Iowa^	\$7,904	40.5%	27.0%	20.2%
Kansas	\$7,615	39.0%	26.0%	19.5%
Kentucky^	\$5,971	30.6%	20.4%	15.3%
Louisiana^	\$4,882	25.0%	16.7%	12.5%
Maine	\$8,320	42.6%	28.4%	21.3%
Maryland	\$9,490	48.6%	32.4%	24.3%
Massachusetts	\$12,320	63.1%	42.1%	31.5%
Michigan	\$7,956	40.7%	27.2%	20.4%
Minnesota	\$10,812	55.4%	36.9%	27.7%
Mississippi	\$4,800	24.6%	16.4%	12.3%
Missouri^	\$6,074	31.1%	20.7%	15.6%
Montana	\$7,805	40.0%	26.6%	20.0%
Nebraska	\$7,800	39.9%	26.6%	20.0%
Nevada^^	\$8,208	42.0%	28.0%	21.0%
New Hampshire^^	\$9,623	49.3%	32.8%	24.6%
New Jersey	\$9,546	48.9%	32.6%	24.4%
New Mexico	\$6,868	35.2%	23.4%	17.6%
New York^^	\$12,280	62.9%	41.9%	31.4%
North Carolina	\$7,471	38.3%	25.5%	19.1%

State	Average Annual Cost of Care for a 4-Year-Old-Child*	Cost of Care as a Percentage of Income		
		Poverty Level (\$18,530)**	150% of Poverty Level (\$27,795)	200% of Poverty Level (\$37,060)
North Dakota	\$7,147	36.6%	24.4%	18.3%
Ohio	\$6,487	33.2%	22.1%	16.6%
Oklahoma	\$5,761	29.5%	19.7%	14.7%
Oregon	\$8,615	44.1%	29.4%	22.1%
Pennsylvania^	\$8,727	44.7%	29.8%	22.3%
Rhode Island	\$10,400	53.3%	35.5%	26.6%
South Carolina^	\$5,385	27.6%	18.4%	13.8%
South Dakota^	\$5,319	27.2%	18.2%	13.6%
Tennessee	\$4,515	23.1%	15.4%	11.6%
Texas^	\$6,643	34.0%	22.7%	17.0%
Utah	\$6,108	31.3%	20.8%	15.6%
Vermont^	\$10,068	51.6%	34.4%	25.8%
Virginia	\$7,696	39.4%	26.3%	19.7%
Washington	\$9,306	47.6%	31.8%	23.8%
West Virginia	\$6,760	34.6%	23.1%	17.3%
Wisconsin	\$9,302	47.6%	31.8%	23.8%
Wyoming^	\$7,914	40.5%	27.0%	20.3%

*Source: NACCRRA's January 2014 survey of Child Care Resource and Referral State Networks and local CCR&Rs. Some states used the latest state market rate survey.

**Source: 2013/2014 U.S. Department of Health and Human Services, Poverty Guidelines; Poverty for a family of three in 48 states is \$19,790. In Alaska it is \$24,740, and in Hawaii it is \$22,760.

^ 2012 Data, adjusted for inflation

^^ 2011 Data, adjusted for inflation

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